

INTERNATIONAL

# Herald Tribune

Published with The New York Times and The Washington Post

No. 29,208

PARIS, THURSDAY, DECEMBER 30, 1976

Established 1887

THE WEATHER—PARIS: Thursday, fog, snow later. Temp. -2 to -4 (28-25). Friday, overcast, less cold. LONDON: Thursday, snow flurries. Temp. 3 to -4 (27-25). Friday, less cold. CHAM: Temp. 11-6 (51-42). NEW YORK: Thursday, cloudy. Temp. -4 to -10 (25-14).

ADDITIONAL WEATHER—COMICS PAGE.

Algeria	12.5	Belgium	35.0	Denmark	25.0	France	15.0	Germany	15.0	Greece	18.0	India	25.0	Iran	25.0	Italy	15.0	Japan	25.0	Lebanon	35.0	Libya	25.0	Netherlands	35.0	Nigeria	25.0	Portugal	25.0	Spain	25.0	Sweden	25.0	Switzerland	35.0	Taiwan	25.0	Turkey	25.0	U.S. Military (EST)	25.0	Vietnam	25.0
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Damage after blast in men's store yesterday in Brentford High Street in London.

## Gas Explosions Damage Areas of London and Bristol

LONDON, Dec. 29 (UPI).—A midmorning gas explosion injured 38 persons today on a suburban London street crowded with shoppers, the police said. Six persons were hospitalized. Most of the victims, who included an 8-month-old baby and 18 elderly women, were slightly cut by flying glass. In Bristol, a pre-dawn explosion apparently caused by a gas leak ripped through a discotheque and restaurant in the city center, destroying several buildings. No injuries were reported but a police spokesman said, "It's lucky this happened when it did—around 4:45 a.m. A few hours later the area would have been packed with sales shoppers and rush-hour traffic."

Both explosions caused damage over 300-yard areas. Experts said that in both cases gas pipes might have been affected by the current freezing weather in Britain. The London explosion gutted a men's clothing shop next door to a store where engineers were investigating reports of a gas leak.

United Press International.

## Blacks Quit Cabinet in Rhodesia

### 2 Chiefs Form A New Party

SALISBURY, Rhodesia, Dec. 29 (UPI).—Two of four black tribal chiefs appointed to the Rhodesian Cabinet this year by Prime Minister Smith to give it a multi-racial character resigned today to form a new party.

Chiefs Jeremiah Chirau and Kayira Ndlovu said their movement, the Zimbabwe United People's Organization, will "bridge the gap between the government and the African National Council and other nationalist groups." Zimbabwe is the nationalist name for Rhodesia.

A spokesman for nationalist leader Joshua Nkomo said the new group "will cut no ice with the people of Zimbabwe." Nationalist leaders have frequently called the black Cabinet members "sellouts."

[Reuters reported that the new party—ZUPU—is supported by about 250 tribal chiefs and 450 village headmen, according to a party spokesman. It supports democratic institutions, free enterprise, a role in the free world and would seek an end to intimidation and racial discrimination, the spokesman said.]

**Tribal Leaders**  
[Chief Chirau is president and Chief Ndlovu vice-president of Rhodesia's Council of Chiefs, making them the paramount tribal leaders, Reuters reported.]

[For some time the government has been trying to persuade "moderate" Africans to participate in attempts to resolve the Rhodesian constitutional dispute. The formation of ZUPU was believed here to have the government's support.]

It was not known whether ZUPU would seek representation at the Geneva conference on Rhodesia.

Meanwhile, a government spokesman declined to comment on reports by the Mozambique news agency charging that Rhodesian troops, supported by aircraft, have attacked positions in Mozambique's Gaza Province near the countries' common frontier.

**Denial Issued**  
Rhodesian military sources said the Mozambiqueans have made such charges in the last two weeks and that Salisbury has repeatedly denied involvement.

A military communiqué today said 31 more black civilians have been killed in the latest incidents in the guerrilla war. The report said nationalist guerrillas fired mortar bombs on African villages in Rhodesia.

A security patrol reacting to one of the incidents was fired on by the terrorists, who then fled using a number of local as shields, the communiqué said. "In all these incidents, 21 African civilians were killed and others wounded."

The communiqué did not say when the clashes occurred or exactly where.

Mr. Smith's office said he will hold talks Saturday with Ivo Richard of Britain, the chairman of the ad hoc committee on Rhodesia.

**African 'Shuttle'**  
Mr. Richard left London today at the start of an African "shuttle," heading first for Lusaka, Zambia, for talks with President Kenneth Kaunda, one of the "front-line" black leaders attempting to coordinate Rhodesian nationalist objectives for the former British colony's future.

Richard will try to reconcile differences between Mr. Smith and four black nationalist leaders before the talks resume Jan. 17. The discussions are deadlocked over the composition of a transitional government.

A Rhodesian government source said today that Mr. Smith still insists on asking to Secretary of State Henry Kissinger's plan, as outlined to the Prime Minister, which would give whites control of the Defense and Law and Order Ministries in the interim two-year government before black rule.

The sources said Mr. Smith will reject a compromise proposal by Mr. Richard that Britain take charge of the disputed ministries in the interim period. Black leaders reject Mr. Smith's assertion on installing whites in the posts and claim—Mr. Kissinger concurs—that the secretary's proposals are negotiable.

**U.S. Liaison for Mission**  
WASHINGTON, Dec. 29 (AP).—Deputy Assistant Secretary of State William Edmondson will serve as U.S. liaison for the African mission of Mr. Richard, the State Department said today.

A State Department spokesman said Mr. Edmondson will serve as "a point of contact" for Mr. Richard's mission. He said Mr. Edmondson's itinerary will roughly parallel Mr. Richard's.



WINTER WONDERLAND—New Year tree before Bolshoi Theater in Moscow.



... and hardy somethings-or-other swimming in ice-covered Neva in Leningrad.

## Cold Wave Grips a Shivering Europe

LONDON, Dec. 29 (UPI).—Britain reported freezing temperatures, colder than Iceland, today as winter came sharply to Europe, snarling road, rail and air traffic in a combination of snowstorms, ice and freezing fog.

Only ski resort operators were happy. Holiday crowds flocked to resorts in France, Italy, Switzerland and Austria, where the Alpine village of Rasdatt reported Austria's coldest night of the season, minus 13 Fahrenheit (minus 24 centigrade).

It was just as cold in places in Britain. The sea froze for a mile near Ramsgate, on the English Channel; the mercury in central London dropped to 28 F. It was down to 12 F in Oxfordshire, enabling British newspapers to report it colder than Iceland where the temperature was 30 F today.

**From Siberia**  
In a cold front from Siberia that looked like ending Europe's recent mild winters, ice was forming in West Germany's North Sea and Baltic ports, but shipping was not reported hindered. Highway traffic was slowed and 10,000 accidents were reported in West Germany yesterday. Most were minor, but three persons died in one crash.

Airports all over the Continent were affected. Snow closed Zurich Airport for two hours, and traffic was disrupted at others, including Paris and Brussels as well as London.

Snow blanketed much of France, Belgium, Switzerland, the Netherlands, Austria, Italy and Yugoslavia, with more predicted.

Moscow newspapers said an estimated seven million tons of snow had fallen there this month, overwhelming the usually efficient snow clearing gangs, who managed to catch up only in recent days.

**Cold Hits Great Lakes**  
NEW YORK, Dec. 29 (AP).—Temperatures dropped today to near 30 degrees below zero Fahrenheit in the upper Great Lakes region of the central United States. Low-temperature records were broken in many parts of Michigan.

The stated aims of the plan are to contain inflation, reduce unemployment, ease the deficit in the balance of payments, improve income distribution, correct regional inequalities, satisfy the basic needs of the population and accelerate economic recovery in both the public and the private sectors.

The budget forecasts expenditures of \$5.214 billion with a substantial increase in social expenditures, particularly in education and housing, and investments in agriculture, fishing, industry, construction and tourism.

When it came to the final vote, both the Communist party and the conservative Social Democratic Center indicated they opted to abstain because they felt a government crisis would be bad for the young democracy.

But the Social Democrats, a center party, refused to listen to Mr. Soares' appeal for "civic cooperation." The party announced that it voted against the plan because it felt that "a change of direction is necessary now."

## Mystery of Fraudulent Sale Deepens

### France, Libya May Have Known of Arms Deal

By Flora Lewis

PARIS, Dec. 29 (NYT).—The mystery of the Libyan arms fraud deepened today with clear evidence that the French government, and apparently also the Libyan government, knew beforehand that a fake deal was planned.

The deal was disclosed last week as a caper that cheated the Libyan government out of \$15 million for fake U.S. military equipment, after its appetite had been whetted by the evidently illegal sale of \$1 million worth of authentic U.S. merchandise. But it is now emerging that more than purely private skulduggery was involved although officials refuse to offer any comment or explanation of the evidence.

The deal was for Startrons, a light-amplifying device that enables tanks, planes and other weapon platforms to operate with high speed and accuracy in the dark. They are manufactured by Smith & Wesson, cost \$7,000 each and were credited for much of the nighttime success of Israeli armor in the 1973 Middle East war.

They are not considered secret by the Pentagon, but are on the State Department's Munitions Control List, which requires permission for export and prohibits the buyer from re-exporting them without further specific permission.

Permission is routinely granted for allied countries, but U.S. officials here said it would almost certainly be illegal for them to be re-exported to Libya. Nonetheless, according to French officials, 110 were delivered to the Libyan government last year as the initial installment on a contract for 300. Delighted with the Startrons, the Libyans then increased the order to 3,000.

The traffickers involved could not or did not choose to fill that order, but neither did they want to let the deal collapse.

Therefore, they arranged for a metals manufacturer in a Paris suburb to make 3,000 useless instruments, at \$130 each, which looked like Startrons but had none of their special capacity. The manufacturer was unaware of the purpose of the order but, according to French sources, he was visited during production by French customs inspectors to make sure that he was not

actually turning out military equipment.

The visit was not accidental. French authorities had obviously gotten wind of the deal, but after assuring themselves that the goods were not authentic, they allowed the shipment to be exported to Madrid.

According to French sources, the French government also informed the Libyan government of what was up.

Nonetheless, after a representative of Libya examined the shipment in Madrid and pronounced it acceptable, the Libyan government released the \$15 million which it had deposited in a Swiss bank for the new Startron shipment. There is no explanation available of why this was done.

In any case, the fake equipment never went farther than Madrid, but was returned to Paris and left unclaimed at Orly Airport until customs examiners decided to open some of the boxes and then leaked the story of the fake Startrons to the Paris daily Le Monde.

Meanwhile, the Libyan government has filed no complaints in

## Socialists In Portugal Win a Vote

### Left, Right Help Economic Policy

By Marvin Howe

LISBON, Dec. 29 (NYT).—The minority Socialist government won a critical parliamentary vote today on next year's economic development plan, thanks to the abstention of Communist and conservative.

Social Democrats voted against the plan in what was said to be a move to try to force the Socialists to agree to a government alliance with them.

Premier Mario Soares warned just before the vote early this morning that his Cabinet would resign if the Assembly of the Republic rejected the "indispensable tools for governing"—its economic plan and budget.

In an urgent appeal to the assembly, Mr. Soares asked the deputies to keep in mind "national interests and the political consequences of a government crisis."

He stressed that the rejection of the plan and a government crisis would be a severe blow to Portugal's negotiations for entry into the Common Market and for international financial assistance. This last was a reference to current talks with the United States for a \$300-million emergency loan.

**'Moral Obligation'**  
The Premier emphasized that if the opposition parties voted against his government's economic and financial policies, they would have "the moral obligation" to present an alternative.

Listing possible alternatives, Mr. Soares said that either a leftist coalition with the Communists or a "so-called democratic coalition" excluding the Communists would only broaden the political split in the country. On the other hand, he went on, another military-led government would be generally viewed as "a regression and the failure of the party system—the essence of democracy—in Portugal."

Mr. Soares insisted that his own middle-of-the-road government was the "only viable democratic solution" at present. He said that the sharp and often contradictory criticism of the plan and budget from the left and right "in a way cancels out." He pointed out that the right accused his government of failing to encourage private enterprise while the left charged that they were "opening the door to capitalist recovery."

**Priorities Listed**  
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**Loan Talks Continue**  
WASHINGTON, Dec. 29 (UPI).—The State Department said today the United States is "desirous" of helping Portugal over its current economic difficulties with a \$300-million emergency loan and is continuing negotiations on it in Lisbon.

## Healey Expects To Keep Pay Lid

BONN, Dec. 29 (Reuters).—Denis Healey, British chancellor of the Exchequer, has said he is confident that before his next budget trade unions will agree to extend wage restraint for another year.

In an interview with the weekly Deutsche Zeitung, released here today, he also said that a suitable renewal of the wage pact with the unions was the condition for the cut in income taxes that he hoped to be able to announce in the budget around Easter.

Talks will be held with union leaders in the next few weeks to extend the present pay policy, he said, noting that for two years British workers have accepted wage increases less than half the rate of price rises.

## Carrillo Release Sought

### Police in Madrid Again Clash With Communist Protesters

MADRID, Dec. 29 (UPI).—Several thousand young Communist today resumed illegal "free Santiago Carrillo" demonstrations, tramping police clubs and smoke bombs on Madrid's main street to campaign for freedom for the jailed Communist chief.

Smoke billowed on the Gran Via as the protesters chanted, "This is the way you see the power of the Communist party."

The first such violent protest was held seven days ago, hours after police arrested Mr. Carrillo, 61, general secretary of the Spanish Communist party. Because of a ban against him Mr. Carrillo had been living clandestinely in Spain for 10 months.

Police were slow to deploy after the demonstration started and fewer officers than usual seemed to be on the job.

**Smoke Grenades**  
Smoke grenades and tear gas were used. But police were more discriminate than in the past in using their clubs, trying to differentiate between protesters and pedestrians.

Groups of about 1,000 demonstrators were able to assemble and march for a minute or so on the cinema-lined avenue.

Attorney Antonio Rato, a member of the legal team defending Mr. Carrillo and seven other Communist leaders who are in jail, said tonight that his initial optimism concerning a possible release of the Communists was fading.

"Every day the situation gets worse," Mr. Rato told the national news agency Cifra, "because the demonstrations and pressures from the street are increasing and the government may feel that it is being coerced."

**Occasional 'Pop'**  
After an hour of disturbances in central Madrid, the protesters had practically disappeared as police took over the key intersections. There was only an occasional "pop" from a smoke bomb or rubber bullet.

Since Dec. 23, the Communist-orchestrated "free Carrillo" campaign has produced street demonstrations in many of the country's largest cities.

Meanwhile, in Barcelona this

morning, a leftist attacked and seriously injured a policeman. Police sources said policeman Lucas Jurado was critically hurt when he tried to stop a leftist extremist militant from distributing propaganda at a subway stop.

An appeal filed Monday against the indictment of Mr. Carrillo and the other Communist party leaders is in the hands of the prosecutor and legal sources said the judge could not be expected to make a decision before tomorrow.

(Continued on Page 2, Col. 3)

## A U.S. Summit Is Welcomed

### By Brezhnev

MOSCOW, Dec. 29 (Reuters).—Soviet leader Leonid Brezhnev has welcomed the prospect of a summit meeting with incoming U.S. President Jimmy Carter, the official Tass press agency said today.

"... We are for the continuation of such meetings. A date for a new Soviet-American meeting will be decided naturally by mutual agreement and depending on progress in corresponding questions," Mr. Brezhnev was quoted.

We are working together with you and trying our best. The West can rely on the fact that it has a friend who can do a lot for it," he continued.

Sheikh Yamani said that he saw signs that President-elect Jimmy Carter would fulfill Saudi Arabia's demands for an Arab-Israeli peace.

"Some of us thought that Carter would not be good for the Arab cause and that he would not be neutral. But, in the meantime, there are some indications in favor of the opposite view," he said.

Asked if there was a connection between the Saudi Arabian decision and the Carter administration, the minister said, "Not actually a connection. There is no obligation on the Americans to do one thing if we do another. But in politics, one does one thing and expects something in return."

Asked about Mr. Carter's denial of any connection, Sheikh Yamani said, "If I were Carter, I would also say that."

"These kinds of statements are dictated by the strong Zionist lobby. But no one can deny that there is a connection. Everyone knows that, the United States and even Israel. They hate that and try to hide it, but you cannot hide facts."

**U.S. Liaison for Mission**  
WASHINGTON, Dec. 29 (AP).—Deputy Assistant Secretary of State William Edmondson will serve as U.S. liaison for the African mission of Mr. Richard, the State Department said today.

A State Department spokesman said Mr. Edmondson will serve as "a point of contact" for Mr. Richard's mission. He said Mr. Edmondson's itinerary will roughly parallel Mr. Richard's.

(Continued on Page 2, Col. 5)

## Magazine Cites Tax-Free Property Deals

### Vatican Is Reported to Own Quarter of Rome

VATICAN CITY, Dec. 29 (AP).—The Vatican and its religious orders own at least a quarter of Rome's real estate and have sold some of their holdings at windfall profits without paying Italian taxes, an Italian magazine reported today.

L'Europeo, an independent weekly, said the transactions—some involving millions of dollars—turned historic religious buildings into modern hotels and banks.

L'Europeo, in an investigative report entitled "Vatican S.P.A.," or the equivalent of Vatican Inc., said the Holy See's holdings extend from buildings in Rome's historic center to over 2,000 hectares on the outskirts of the capital.

It said the Vatican, the world's smallest state, with an area of 0.2 of a square mile, is "a real empire" in real estate holdings exempted from taxes through the 1929 concordat that regulates relations between the Holy See and the Italian government.

"A fourth of Rome is in the hands of shadow companies registered in Panama, Liechtenstein, Luxembourg and Switzerland," the magazine reported. "A fourth is in state hands (in the form of government buildings). A fourth is in private hands. The final fourth, or more, is in the hands of the Vatican."

The treaty grants Vatican holdings "extraterritoriality," particularly for such church property as the Basilica of St. Mary Major, St. John Lateran and the papal palace in Castelgandolfo in the Alban hills southeast of Rome.

However, the report said, the Vatican or its religious orders also own extensive property around the Piazza Navona, the Colosseum and the lush Spanish Steps and Parioli sections.

"To give a commercial value to this empire is impossible," L'Europeo said. "It encompasses convents and other housing for the religious that can be—and have been—used for other purposes."



## Unrest in China City Said to Lead To Attacks on Arsenal, Factories

PEKING, Dec. 29 (Reuters).—Political unrest in the northern Chinese city of Paoing has erupted into armed conflict, sources said tonight.

They reported that long-existing disputes in Paoing, 110 miles south of here, were now being quelled on special orders from Peking.

The conflict, which has been briefly mentioned in the official news media, has led to factories being blown up, raids on military arsenals and robberies from banks, grain stores and shops, the sources said.

They said the violence in Paoing, on China's main north-south railway line, had disrupted the supply of relief materials to the earthquake-devastated city of Tangshan.

It was understood that following the arrest of Mao Tse-tung's widow, Chiang Ching, and other radicals in October, authorities here issued instructions on how to handle the Paoing unrest.

Earlier this month, the official Peking People's Daily said Chiang Ching and other radical leaders had sowed discontent in Paoing and tried to disrupt surrounding Hobei Province.

The Paoing disorders appear to be especially serious because of their proximity to Peking. The sources said they understood the conflict had sometimes disrupted telecommunications.

## Britain, Italy Worst Hit

## Teacher Unemployment Rises In Some European Countries

By Alvin Shuster

ROME, Dec. 29 (NYT).—Maria Caterina Colonna, a 33-year-old Roman, recently became so desperate in search of a teaching job that she began answering advertisements for maids.

"I wanted to do something," she said. "I felt useless. At one point, I even went from door to door to ask adults to sign up for reading lessons."

In London, Eileen Robinson, who is 22, spent months in the search for a teaching job, lived on unemployment benefits, and found that the only work available was in drugstores or as a barmaid.

"I've got a grant to go back to college now for another year of study," she said. "Maybe that will better qualify me for a teaching job. But I'm afraid it will only make it easier to get a job in Woolworths."

Mrs. Colonna and Miss Robinson are among the thousands of trained teachers in Italy, Britain and other parts of Europe who have engaged in a fruitless quest for jobs. Teacher unemployment, which is widespread in the United States, is a nagging and growing problem in some European countries.

### 20,000 in Britain

A survey by New York Times correspondents showed that the surplus of teachers was most acute in Italy and Britain, both in the depths of an economic crisis. In Britain, an estimated 20,000 teachers are unable to find jobs in elementary and secondary schools and here even more are believed to be facing similar troubles.

In West Germany, the problem is less serious, but the trends are worrying, particularly to union leaders. The newspapers in Bonn speak of a "teacher shortage" but that relates to the reluctance of local authorities to hire teachers because of pinched budgets.

Union officials in West Germany estimate that 10,000 teachers are now unemployed or working outside their field, which represents a jobless rate for teachers of about 1.8 per cent compared with the general unemployment level of 4 per cent. But many new teachers are in the colleges now and, given the present problems, the number of unemployed teachers is expected to rise.

In France, however, the survey showed that teacher unemployment did not appear to be a serious problem. Education is financed from a national education budget, which has been rising regularly so that the lack of funds in city budgets does not influence hiring policy.

### Smaller Classes

Moreover, the National Teachers Union in France has campaigned successfully for smaller classes, which has led to more jobs. Officials reported there that at a time of 1 million unemployed, or less than 5 per cent of the work force, teacher unemployment may be less than 2 per cent.

Of the Scandinavian countries, Denmark shares a problem of teacher unemployment with Italy and Britain, while Norway and Sweden report no major surplus. The troubles in Denmark arose because an unexpected drop in the birthrate generated heavy unemployment among kindergarten teachers.

The reasons for the surplus of teachers in Italy and Britain vary. They include an overproduction of teachers and an underproduction of children as well as the economic squeeze.

In Italy, for example, any graduate of high school, no matter his grades, can enter a teachers' college for a university and the result is an increasing number of men and women who, in the absence of other jobs, decided to try to teach. Yet the

## Gold, Diamonds Stolen At Hong Kong Airport

HONG KONG, Dec. 29 (Reuters).—Three men using false documents stole a consignment of gold bars, diamonds and coins worth 4 million Hong Kong dollars (about \$800,000) from Kai Tak International Airport here during Christmas, police said today.

A police spokesman said that two of the men presented false documents to collect the cargo Monday and that the third man said he was an airline employee.

A Hong Kong air cargo terminal spokesman said that the consignment was flown here from Zurich by Swissair.

There are about 200 refugees at a camp here. They said they fled because of the fighting between government troops and guerrillas of the National Union for the Total Independence of Angola, led by Jonas Savimbi.

## Angola Refugees Report Fighting

LUSAKA, Zambia, Dec. 29 (AP).—Angolan refugees arriving in Zambia said yesterday that heavy fighting is still raging between government forces and guerrillas in the former Portuguese colony.

There are about 200 refugees at a camp here. They said they fled because of the fighting between government troops and guerrillas of the National Union for the Total Independence of Angola, led by Jonas Savimbi.

## Paris Police Arrest Six in Broglie Death

Deputy's Partners Said to Be Involved

PARIS, Dec. 29 (UPI).—French police announced today the arrest of six men in the Christmas Eve murder of National Assembly Deputy Jean de Broglie.

Authorities indicated that Mr. Broglie, who helped negotiate the end of the Algerian war in 1962, was shot down on a Paris sidewalk not for reasons of politics, but for simple monetary gain.

Police said that two of Mr. Broglie's business partners, who owed him 4 million francs (\$600,000), used a policeman to recruit two hired killers to kill Mr. Broglie.

They said that the two partners were probably responsible for a telephone call to a French news agency claiming that the shooting was the work of extreme rightists.

This led to initial but short-lived speculation that the shooting was politically motivated.

### Resistance Hero

Mr. Broglie, 55, descendant of a distinguished family, was a hero of the French Resistance in World War II. He was a member of President Valéry Giscard d'Estaing's Independent Republican party.

At a news conference presided over by Interior Minister Michel Poniatowski, police announced the arrest of Mr. Broglie's business associates Pierre de Varga and Patrick Alenot de Ribemont in addition to that of police Inspector Guy Simoné and underworld figures Gérard Frêche, Serge Tessedre and Simon Kolowicz.

Pierre Ottavio, chief of the Paris police crime squad, said, "The Broglie affair was the result of a financial agreement between the victim and Mr. Varga and Mr. Ribemont. Mr. Broglie had lent 4 million francs to Mr. Varga and Mr. Ribemont, to be paid back in seven years."

### Death Warrant

Mr. Ottavio indicated that in signing the contract, last year, Mr. Broglie had signed his own death warrant. "The contract had a clause providing that in the event of Mr. Broglie's death, the other two were released of their obligation to pay," he said. "That was the motive for the crime."

The crime squad chief said, "Mr. Pierre de Varga and Alenot de Ribemont—to a lesser degree—were the instigators of the murder of Mr. Broglie. The policeman, Guy Simoné, organized the murder."

"A thing with a police record, Gérard Frêche, a friend of Frêche's, was with Simoné in the Rue des Dardanelles when the deputy was killed."

"An accomplice, Simon Kolowicz, another thing and friend of Frêche's and Simoné's, put the two men [Frêche and Simoné] in touch with each other," Mr. Ottavio said.

### Restaurant Purchase

Mr. Ottavio said that the money lent by Mr. Broglie was used for the purchase of a restaurant, La Reine Pédauque, in central Paris.

Earlier today, investigators said that Frêche had been promised 30,000 francs (\$6,000) to do the shooting.

"Frêche, Tessedre and Simoné confessed to the killing," Mr. Ottavio said. "Frêche confessed to actually shooting Mr. Broglie."

He said that Mr. Varga and Mr. Ribemont had not confessed.

## Five Flee to West During Holiday

HANNOVER, Dec. 29 (UPI).—Five refugees fled to West Germany over the Christmas holidays, West German police reported.

The refugees included two East German border guards, another East German man and a woman and her daughter, both ethnic Germans who fled from Poland, police said.

The two border guards abandoned their posts on the East-West German border and fled to the West Sunday in their uniforms and carrying their weapons, police said.

The latest allegation came in a speech by Wang Yi-ping, vice chairman of Shanghai's Municipal Revolutionary Committee, to the National Agriculture Conference in Peking. Excerpts were broadcast yesterday by the official news agency.

The four regarded the regular army as the main obstacle to their plot, Mr. Wang said. So they tried to create chaos in the army while making the militia a second armed force with independent leadership by faking a directive from Mao, he added.

The group, two of whose members are priests, said delegates from the Russian and Georgian churches were to have attended last month's conference at Chabersky, near Geneva, which was called to prepare the first world synod of the Eastern Orthodox Church in nearly 1,200 years.

Officials said that this was an assurance for rightist leaders who have expressed concern over what they described as "a Palestinian buildup of men and weapons" in south Lebanon, especially in the Arkoub region.

Israel's objections to the presence of Arab peace troops in the south have reportedly been sorted out through diplomatic mediation.

House speaker Kamel Assad said that President Elias Sarkis was forming the nucleus of a new army for Lebanon to begin policing the border areas in the south in two weeks.

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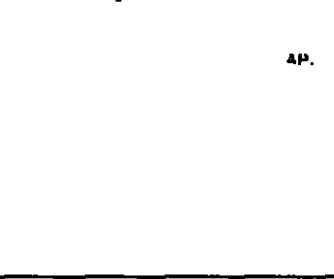
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**SICILIAN SLIDE**—Huge cracks in retaining walls and broken pavement in roads were caused by an earthquake that forced the closing of the Agrigento archaeological park which includes some of the Mediterranean area's oldest and best-preserved Greek temples, dating back more than 2,500 years. About 200 residents of the area have been temporarily relocated. The slide stopped about a hundred yards short of the temples in the background is the temple of Juno.



## Palestinians and Christians Trade Fire in South Lebanon

BEIRUT, Dec. 29 (UPI).—Palestinian guerrillas and Lebanese Christian rightist forces in south Lebanon traded heavy artillery and machine-gun fire for six hours last night, a Palestinian spokesman said today.

"Israeli-backed rightist forces opened a barrage of heavy artillery and machine-gun fire on the town of Taybeh, 2 miles from the Israeli border, the spokesman said."

"Israeli gunners on the other side of the border supported the rightist forces with their long-range artillery located at Talawda and Misakafin settlements near the Lebanese border," he charged.

"Our joint [Palestinian and Lebanese leftist] forces replied to the fire," a Palestinian spokesman said. The six-hour exchange came to a halt at 10 p.m.

### Rising Tension

Tension in south Lebanon has been rising for several weeks after Palestinian guerrillas began to move men and heavy weapons from camps around the cities to the south.

The region was the only area that was not entered by Arab peace-keeping troops who put an end to Lebanon's civil war six weeks ago. Their reluctance to enter the south was due to fears of possible Israeli military reaction.

An estimated 1,500 troops from the United Arab Emirates entered Lebanon from Syria yesterday to join the Arab Army.

The units were reportedly headed south to take up positions at the port city of Tyre, 18 miles north of the Israeli frontier. The afternoon they were still assembling near Masnaa on the Syrian border.

### Nucleus of Army

House speaker Kamel Assad said that President Elias Sarkis was forming the nucleus of a new army for Lebanon to begin policing the border areas in the south in two weeks.

Officials said that this was an assurance for rightist leaders who have expressed concern over what they described as "a Palestinian buildup of men and weapons" in south Lebanon, especially in the Arkoub region.

Israel's objections to the presence of Arab peace troops in the south have reportedly been sorted out through diplomatic mediation.

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## Arms Fraud Data Known

(Continued from Page 1)

France nor, so far as could be learned here, made any effort to recover the money.

The French Finance Ministry has ordered three persons involved in the deal to appear in court here Jan. 29 to answer a charge of illegal currency transfers.

One of them, Georges Starckmann, is well known to the French police for previous arms trafficking and customs violations, according to the French sources, and another, Joseph Abbatucci, was an employee of Thomson-CSF, a huge French electronics and armaments firm, until the story broke.

However, no other charges have been filed, neither for false export documentation, breach of contract nor fraud, Mr. Starckmann has been reported in the French press as having fled to Portugal. The Portuguese Embassy in Paris said it has not received any request from French authorities to trace him or arrange his return.

Apert from the announcement about the Ministry of Finance's charge of illegal currency transfers involving a total of \$500,000 in French francs, there has been no comment from the French government about any aspect of the affair.

As far as could be ascertained here, the U.S. government has not ordered any inquiries into how the first 110 Startrons got to Libya, a presumably illegal diversion.

It was learned privately that the United States had found out about the order for 3,000 more Startrons and asked the French government to prevent their delivery.

Thomson-CSF manufactures a device very similar to the Startron. While it is said by experts not to be quite of the same quality, it could legally be exported to Libya without any difficulties.

The director of Thomson's arms exports, which has sold radars and missiles to Libya, said that the Libyans had never approached his company for the purchase of its light-amplifying instruments.

In one transaction, the magazine said, the Holy See made 1.5 billion lire (\$24 million at the time) by selling its Palazzo Antonelli around the corner from the presidential Quirinal Palace. Obtained free through donation from the will of the late countess Maria Emma Garcia, the building was sold to the Bank of Italy "without a single lira of taxes," L'Europeo reported.

While the Vatican withheld immediate comment, Vatican observers said L'Europeo's report did not seem "scandalous and appeared within reason."

The magazine also published a list of over 50 Vatican palaces it said would be up for sale, giving no price on them.

The Vatican policy appears to be, according to the report, "to divert itself from old convents or other institutions that produce no revenue. It sells and relinquishes in modern housing or in land a bit far from the city, but is expecting the natural expansion of the city."

The magazine did not question the legality of the real estate transactions, but said: "It makes no sense for the Holy See to put

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## Cross Desert in Land Rovers

## West Sahara Guerrillas Moroccan and Mauritanians

By Sadie Wyckham

BOHIDIRAH, Western Sahara (NYT).—King Hassan of Morocco has indicated that there is no dispute in the Western Sahara, but in a wakening tour of the territory I saw guerrillas travel in broad daylight across regions supposedly under Moroccan control and regularly harass enemy forces.

The guerrillas are pinning Moroccan and Mauritanian forces inside their garrison towns in Western Sahara—ambushing relief convoys and attacking outlying military bases.

Riding in special combat Land Rovers, the partisans are also raiding deep into Morocco and Mauritania, stung by Hassan's claims that they are a spent force.

The guerrillas of the Polisario Front oppose the partition of the territory, known as the Spanish Sahara before it was ceded to Morocco and Mauritania by Spain a year ago. They have proclaimed an independent Saharawi Republic. Its government-in-exile is based in southern Algeria.

Lightning Assaults Supported by both Algeria and Libya, the guerrillas often travel hundreds and occasionally thousands of miles in Land Rovers to launch lightning assaults against enemy targets.

They say they have attacked the town of Goulmim, 100 miles into Morocco, ridden into battle 1,000 miles farther south against the Mauritanian capital of Nouakchott and even hit positions near Mauritania's frontiers with Senegal and Mali.

The guerrillas usually operate in 30-man units, which can be merged with other commando parties should the need arise. They ride into action aboard three, four or five vehicles carrying heavy machine guns, Soviet anti-tank weapons and even small artillery pieces.

The raiders are also armed with the Russian-produced AK 47, the automatic weapon used by liberation movements throughout the world, together with a ragbag of captured Belgian FN rifles and small arms dating back to the Spanish Civil War.

Their Land Rovers are specially prepared for battle. All windows and mirrors are stripped off to keep reflection of sunlight from signaling the unit's presence to enemy planes or positions. Headlights and taillights are daubed with a glue-like substance and then camouflaged with sand. Finally the guerrillas cut off the vehicle's superstructure to increase its speed and effectiveness in hit-and-run strikes.

Inside Western Sahara, the Polisario Front appears to have pinned down most Moroccan and Mauritanian troops to the towns and their outlying bases. Their main strategy is aimed at cutting supply lines and ambushing relief convoys in a classic guerrilla war of attrition.

The guerrillas draw their main logistic support from Algeria, which also provides refuge for an estimated 105,000 Saharawi nomads displaced by fighting. But recent reports indicating that the Algerians may be near reaching an accord with Morocco and Mauritania over the heads of the Polisario leaders are causing disquiet among the partisans.

With the Guerrillas I traveled for 800 miles with the guerrillas. We drove for some of the time in a shiny, gray Toyota Land Cruiser across territories the Moroccans claim they control. I was escorted at times by a small squad of guerrillas in trucks often with just my own personal bodyguard of four armed men.

We drove across vast barren plains crisscrossed with wooded dunes and ringed with hissing lunar mountains. We drove through the northeastern quarter of Western Sahara, from refugee camps near the southern Algerian town of Tindouf. We skirted the Moroccan-held towns of Makhzen, Hamas and Elchidra, which all house army garrisons of up to 4,000 men.

Elchidra is surrounded by three concentric rings of defense about a mile apart, with seven military positions scattered among the rings—and it was here I got my first real taste of danger.

We drove to a hill 1,000 yards from a small Moroccan base of 300 soldiers, where I met a Polisario commander.

He escorted me up to a lookout position on top of the 2,000-foot, slate-covered hill. Halfway up, I heard the first Moroccan mortar shells whistling past us and exploding in the valley below. On the summit I had a grandstand view.

On a hilltop to my right, four real estate holdings and business transactions—has been the subject of speculation. The Vatican seldom volunteers information on its finances, but has hinted at it when rejecting reports that the Holy See is rich. In 1975, when published reports put the Vatican's investment capital inside and outside Italy at \$12 billion, the Vatican disclosed that the actual figure was under \$120 million.

Without disclosing any figures, the Vatican had said its 1975 balance sheet was in the red, citing inflation, stock market problems and the shrinking of offerings from Christians. Printed reports put the Vatican deficit for that year at \$4.4 million.

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## Regarding Mondale Role, Defense Cuts

## Carter, Aide, Nominees Seem to Differ on Policy

By Morton Mintz

ST. SIMONS ISLAND, Ga., Dec. 29 (WP).—President-elect Jimmy Carter met for 1 1/2 hours yesterday with his top appointees and left a trail of conflicting signals on directions his administration will take.

Mr. Carter outlined, and Press Secretary Jody Powell later expounded, an expanded role for Vice-President-elect Walter Mondale that would have made him the chief of staff in the White House. Also, two Cabinet nominees appeared to back off from Mr. Carter's campaign promises on defense spending and welfare

reform, but their statements later were said by Mr. Powell not to represent changes.

Mr. Carter opened yesterday's meeting with his Cabinet nominees by saying to Sen. Mondale: "He's my chief staff person. He'll be in the White House with me. I've informed all the White House staff personally that he is their boss."

But at an hour-long press briefing last evening, Mr. Powell said that the statement that Sen. Mondale would be "their boss" had generated "understandable confusion." Sen. Mondale "will not be the chief of staff," Mr. Powell said.

"Generally, it would be correct to say Mondale will be involved in the broad range of responsibilities that a president has," Mr. Powell said.

The Vice-President-elect will function "almost as a co-equal" in many areas, Mr. Powell said. He emphasized the intention, stated by Mr. Carter yesterday morning, to try to meld the presidential and vice-presidential staffs "as much as possible."

Mr. Carter told his appointees that he wants their policies to be "compatible with the commitments that I made to the American people—because my word of honor is at stake."

No more than half an hour before the meeting began, however, two Cabinet nominees had exchanges with reporters suggesting that Mr. Carter's commitments in the areas of defense spending and basic welfare reform have at least temporarily generated a degree of confusion.

The exchanges occurred during impromptu questioning of Sen. Edward Brooke and Joseph Califano Jr., respectively, the incoming secretaries of defense and of health, education and welfare.

Mr. Brooke, replying to a question, said: "I don't think that we look for absolute reduction of \$5 to \$7 billion from this year's budget to next year's budget, for example. I'm quite sure Gov. Carter never said that, and that was never his intended meaning."

In a news conference a week ago, Mr. Carter said that he "will be very disappointed at the performance of Mr. Brooke if he does not cut the defense budget by \$5 to \$7 billion." "We'll start immediately with efficiencies and economies," he said.

Replying to a question later in that news conference, Mr. Carter said: "I believe that we have a good chance to make that much demonstrable savings in the defense budget in the first budget that I prepare."

A reporter asked, "But would you expect something like a \$5-billion reduction in defense spending next year?" Mr. Carter's reply was:

"I would hope that—I can't say that, but as compared to what we are presently getting in defense capability, the answer is yes. In actual dollars, I can't say—I don't know what inflation and so forth will be."

Last evening, Mr. Powell told reporters, under prolonged questioning, that Mr. Brooke "certainly was correct." He said he had "no memory" of Mr. Carter ever saying that he would cut the absolute level of spending by \$5 billion to \$7 billion in, say, fiscal year 1978, which starts in October. Rather, Mr. Powell said, Mr. Carter's position has been that he cannot achieve economies without a reduction in strength, economies that would hold rise in the budget down by at least the amounts in question.

In the area of welfare reform, Mr. Califano told reporters that his first priorities will be to eliminate "fraud" and "rip-offs" in existing HEW programs, especially Medicaid and Medicare, and to improve the efficiency of the department's programs.

Structural reform of welfare "may have to await economic growth," Mr. Califano said. Asked when programs for reform may be advanced, he said: "It may be that the realities of substantial welfare reform are related to a better economy."

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## Tanker Chief Lays Error to Radio Device

NEW YORK, Dec. 29 (AP).—The captain of the Argo Merchant says his ship received inaccurate bearings before it went aground because its radio direction finder was either faulty or being improperly used.

"If I knew, the ship would not have been stranded," Capt. George Papadopoulos, 43, testified yesterday.

He was questioned in federal court here by an attorney for the Continental Insurance Co. who was challenging the assertion that the tanker was seaworthy. The vessel released most of its 7.6-million-gallon cargo of oil into the Atlantic in the worst oil spill off the U.S. coast.

The company had insured the ship's cargo for \$2.5 million. If the ship was not seaworthy and its owner knew, or should have known, that it was not, then Continental can try to win compensation from the owner.

The owner, Thebes Shipping Co., is also in court, trying to limit its liability to the current value of the wrecked tanker.

Shrinking Area

Oceanographers studying the spill, meanwhile, said yesterday that it was shrinking and breaking up and probably would not seriously harm sea life.

They said it was drifting away from shore, pushed by the wind, at a rate of four to five miles a day. But they cautioned that a change in wind might drive the slick back toward Nantucket Island and Cape Cod.

In addition, they said, no contamination of the bottom is expected because of oil has to be very finely divided before it sinks and the Argo Merchant slick was breaking into large sections.

In the New York hearing, Capt. Papadopoulos said that according to his radio direction finder, tuned to signals from the Nantucket Lightship, there was clear water ahead at the time the ship plowed into the Nantucket shoals Dec. 15.

On Monday, he told the court that the ship's gyrocompass was not working and that the ship was 24.5 miles off course when it ran aground.

## Fears Effect on Congress Seoul Envoy Asserts Charges Of Bribery Harm Relations

WASHINGTON, Dec. 29 (NYT).—The South Korean ambassador to the United States, Hahn Pyong Choon, said yesterday that the damage caused by allegations of Korean bribery of U.S. Congressmen "has been rather serious, and it can become even more serious if we do not do more to preserve and protect our basic bilateral relations."

But Mr. Hahn, in the first interview given since the scandal erupted two months ago, asserted that he was optimistic because "the commonality of our respective national interests is perceived by members of Congress."

Widespread allegations of Korean bribes, entertainment, travel expenses, gifts and other improper lobbying are under federal investigation and a grand jury inquiry. It is directed primarily at discovering which congressmen have accepted illegal favors from the Koreans.

U.S. relations with South Korea are based on a mutual-security treaty that may require U.S. forces to fight in defense of South Korea. The United States has 40,000 troops in Korea under that treaty.

Fluent English

Mr. Hahn, whose fluent English is nearly flawless, expressed frustration with the Department of State for its alleged failure to give the Korean Embassy help in getting out of the present situation.

"I think it's important that the United States indicate some kind of direction in which we could both work. Unfortunately, this indication has been totally lacking so far," he said.

A spokesman for the State Department had no comment.

## Rev. Moon Sect Is Denounced by Religious Leaders

NEW YORK, Dec. 29 (AP).—Leaders of Protestant, Roman Catholic and Jewish organizations yesterday denounced the Rev. Sun Myung Moon and his Unification Church as "anti-democratic, anti-Jewish and in direct conflict with basic Christian teachings."

At a news conference here, leaders of the religious groups accused Mr. Moon of fostering hatred and bigotry against Christians and Jews and encouraging the breakup of families.

Appearing at the news conference were the Rev. James LeBar of the Roman Catholic Archdiocese of New York, the Rev. Dr. Jorge Lara-Braud of the National Council of Churches, which includes Protestant and Orthodox denominations, and Rabbi Marc Tannenbaum and Rabbi James Rudin of the American Jewish Committee.

Rabbi Rudin, the committee's assistant inter-religious affairs director, said that a study of the Unification Church's 536-page "Divine Principle" turned up 125 references that give a "demonic picture of Jews."

## Argentina Says It Has Ability to Produce A-Bomb

BUENOS AIRES, Dec. 29 (AP).—Argentina has achieved the capability to make an atomic bomb but has no plans to build one, according to the chairman of the Argentine Atomic Energy Commission, Carlos Castro Madero.

"We have attained sufficient capacity to manufacture nuclear weapons, but if we built one it would mean sacrificing our power-generating program, and besides we couldn't keep it secret," he said.

Mr. Castro Madero spoke after touring the construction site of Argentina's second nuclear plant in Embalse Rio Tercero, in the northern province of Cordoba.

"Also, if we started to build a nuclear device, the industrialized countries would immediately suspend the supply of nuclear elements to our country," Mr. Castro Madero said.

## U.S. Sent Warships to Brazil At Time of '64 Military Coup

WASHINGTON, Dec. 29 (WP).—The United States was prepared, if needed, to support militarily the Brazilian armed forces' ouster of the country's last civilian government, according to official U.S. documents recently declassified.

A U.S. naval task force with an aircraft carrier, helicopter carrier, six destroyers and oil tankers was ordered to take up position off the Brazilian coast during the 1964 coup d'état against the leftist government of President Joao Goulart, the documents show.

The ships were to await orders from the U.S. ambassador of the time, Lincoln Gordon.

Mr. Gordon, who later became assistant secretary of state for Latin America, denied after the coup that the United States played any role. He denied it again yesterday in a telephone interview.

"It was a contingency never put into effect," he said. "We feared the possibility of a civil war—and one side might need some outside help."

Mr. Gordon said he recommended creation of the logistical force that became known as "Operation Brother Sam."

The documents show that on March 27, 1964, five days before the culmination of the coup, Mr. Gordon cabled Secretary of State Dean Rusk that the probable leader of the military taking power would be Gen. Humberto Castello Branco.

Mr. Gordon's military attaché was Gen. Vernon Walters, a close friend of Gen. Castello Branco, who became President of Brazil. Gen. Walters has acknowledged breakfasting with Gen. Castello Branco on the morning after the coup and urging him to assume the presidency.

In the cables now made public, Mr. Gordon refers to Gen. Walters as being "very well informed." Gen. Walters retired recently as second in command of the CIA.

The coup came after turbulent rule by Mr. Goulart. In the March 27 cable to Mr. Rusk, Mr. Gordon said Mr. Goulart was seeking "dictatorial powers, accepting the active participation of the Brazilian Communist party."

The Brazilian armed forces rallied overwhelmingly behind the coup leaders and, on April 2, Mr. Gordon cabled his recommendation that the Johnson administration call off Operation Brother Sam.

## U.S. Customs Set Records in 1976

WASHINGTON, Dec. 29 (AP).—The U.S. Customs Service says it processed more travelers and seized more drugs during the Bicentennial year than in any previous year in its history. It reported collections of \$5.3 billion in duties and taxes and said the service collected \$16 for every dollar it spent.

Customs agents arrested nearly 21,000 persons on drug charges and seized drugs worth \$63 million if sold in street trade, customs commissioner Vernon Acree said in his year-end report.

The year produced a record 274.8 million travelers passing through 300 official points of entry. The number of travelers has been increasing each year and totaled 260 million in 1975.

## Algiers Breaks Gang in Casbah

ALGIERS, Dec. 29 (AP).—A 22-man gang that terrorized the Casbah of Algiers during the last year has been broken and its leaders face a possible death sentence, the official Algerian news agency reported.

Seventeen members of the gang led by Ali Kribba, known as "Lahneche" (the snake), have been arrested, and the other five are being pursued, the agency said. The report did not clarify whether Kribba was among those at large.

The gang, operating in the labyrinth of the Casbah, the ancient heart of Algiers, specialized in burglary, armed robbery and rape, the news agency said.

## Argentine Colonel Slain

BUENOS AIRES, Dec. 29 (Reuters).—Col. Francisco Bonifacio Castellano of the Argentine Army was shot dead today by left-wing guerrillas, a military communiqué said.



CARTER MEDAL—The official inaugural medal commemorating the installation of Jimmy Carter as the 39th President of the United States has his portrait, done by Georgia-born artist Julian Harris, on one side and the presidential seal on the other. The Franklin Mint will issue the medal in bronze, silver and gold.

## Blacks in Line for Posts

## Opposition Said to Be Fading To Bell as Attorney General

By Anthony Marro

WASHINGTON, Dec. 29 (NYT).—Although more than half a dozen organizations are actively investigating the judicial background of Attorney General-designate Griffin Bell, congressional staff members and spokesmen for some of these groups said yesterday that opposition to his nomination has begun to fade, and that a serious effort to block his confirmation now seemed unlikely.

"A lot of this is tactical, rather than a serious effort to stop him," a person involved in such research said. "The interest now is in trying to pressure him and the Carter administration to pick blacks and women and others they approve of for top jobs in the Department of Justice."

Mr. Bell privately has promised potentially hostile black leaders that blacks will get key posts in at least four areas of the Justice Department, the Los Angeles Times reported.

[A leading candidate for the Cito, 2 or 3 spot in the department is U.S. Judge Leon Higginbotham Jr., of Philadelphia, a black lawyer to the bench by President Lyndon Johnson, sources said.]

Mr. Bell met last Thursday in his Atlanta law office with officials of the predominantly black National Bar Association and assured them that a black will be named as deputy attorney general or as solicitor general, the second and third highest positions in the department.

## Kissinger Gives Data To Archives

## To Archives

By Don Oberdorfer

WASHINGTON, Dec. 29 (WP).—Secretary of State Henry Kissinger has donated the disputed records of his telephone conversations to the Library of Congress in an effort to avoid controversy in his final days in office. But a reporters' group announced it will file a law suit in an effort to obtain public access to the documents.

Mr. Kissinger's action, taken over the Christmas holiday after conferences with his legal advisers and other officials, was announced yesterday by the State Department about an hour after nine file drawers of the telephone records were taken to the Library of Congress in a private van.

On the basis of an opinion he obtained from State Department legal adviser Monroe Leigh, Mr. Kissinger has claimed that the extensive secretarial notes of his telephone conversations while in office are his personal property to use or dispose of as he sees fit. Aides said he does not plan to leave copies of this data in government files.

## Jane's Says Reds Can Match a U.S. Low-Level Missile

LONDON, Dec. 29 (AP).—The Soviet Union may already have a missile to match the U.S. Navy Tomahawk, according to Jane's, which has argued that the international balance in long-range missiles, a weapon expert says.

The possibility was raised by editor Ron Pretty in the 1977 edition of "Jane's Weapon Systems," which appeared Friday. It details the latest armaments of the world's fighting forces.

He said that three new Soviet missile types, the SS-NX-13, 17 and 18, about which little is known, are being built. They are known to the Tomahawk. This would reduce the deterrent value of the U.S. weapon. It could also hamper U.S. bargaining at SALT (Strategic Arms Limitation Talks) when the five-year freeze on long-range-missile levels between the two superpowers expires next October.

Tomahawk, with a nuclear or conventional warhead, can be launched from a submerged submarine to cruise at low level for more than 2,000 miles in search of its target. It is carried in an ordinary torpedo tube, and a single nuclear submarine could embark 20 or more of the missiles.

## Book Ties French 'Illness' to a Reliance on Bureaucracy

By James F. Clarity

PARIS, Dec. 29 (NYT).—French society is sick, asserts a former Gaullist minister in a new, fast-selling book, and his diagnosis is provoking a wave of national self-analysis.

The book—"Le Mal Français" ("The French Illness")—says that over the last 300 years the French have become people who do not trust one another, prefer theories to facts and permit the bureaucracy to strangle the individuality that is their national characteristic and birthright.

The book has been described by some as one of the most scathing and ambitious attempts by a Frenchman to analyze the French soul. Others criticize the author, Alain Peyrefitte, as superficial and for having written the book mainly to gain himself a place in the French Academy, a largely literary society.

## Haitians to Stay in France

PARIS, Dec. 29 (Reuters).—Seven Haitians, expelled from their own country, have been given permission to stay in France after arriving here by air last Saturday, police said today.

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## Seven Million Unemployed in U.S.

Last month the Labor Department's survey counted 7.1 million unemployed Americans, an unacceptably high number. The next president, Mr. Carter, considers the creation of jobs to be his most urgent responsibility. But those 7.1 million people are unemployed for a lot of different reasons. To judge the policies now being pressed on Mr. Carter, it helps to know what goes into the huge total figure.

Why, for example, do we have high unemployment at a time when employers are running yards of help-wanted ads in most newspapers? It's an important point and deserves careful consideration. The explanation begins with a closer look at those ads: they are listed by the skill wanted, beginning with accountants and ending with X-ray technicians. There isn't much offered for people in the category of highest unemployment—the young people with little training and less experience.

Out of that national total of 7.1 million unemployed, about 2 million are people who have been fired, or whose jobs have collapsed. They are out on the street, looking anxiously for new jobs. They represent the classic picture of unemployment that most of us, no doubt, are carrying around in our minds. But they comprise fewer than one-third of the people carried in the unemployment statistics. Who are the others?

Some 1.4 million have been laid off temporarily, and very few of them are actually looking for other jobs. Their view is that they have good jobs—but they are in cyclical industries like automobiles or steel where layoffs are a part of life. When consumer demand picks up again, they'll be called back to work that is, very often, highly skilled and highly paid. In the meantime they get unemployment compensation and perhaps supplemental benefits. Of all the unemployed, these people are likely to be reached first and most effectively by a federal tax cut that leaves more money in consumers' pockets.

Another 2 million of the unemployed are people who dropped out of the labor force altogether and are now coming back in. They dropped out for an infinite variety of reasons: to get more education, to rear children, or maybe just to go skiing. A good many lost jobs months or years ago, and found the market so bleak that they stopped looking altogether. Remember that the Labor Department doesn't count people as unemployed unless they are actively seeking work,

or are registered for a call-back. When prospects improve, the dropouts flood back, start looking and become, technically, unemployed again. That's why unemployment never comes down as fast as the jobs increase during an economic recovery.

Another 900,000 of last month's unemployed are people who voluntarily left their last jobs. They decided to risk an uncertain period of unemployment in the hope of finding something better.

The final 800,000 are the people, most of them teenagers, who are looking for their first jobs. Most of them have very little in the way of skills to offer an employer. Of all the major categories, they will be helped least by a tax cut. Many employers will put their experienced work crews on overtime before hiring these young workers. That is one of the reasons why inflation rates begin to rise long before the unemployment rate drops to 4 per cent, the traditional idea of full employment. If these youngsters are to get effective help, it will have to be in the form of training, guidance and, as a last resort, public service jobs.

Even in times of high unemployment like the present, half of the people who are unemployed manage to find work in no more than eight weeks. The long-term jobless—people who have been looking for more than six months—are about one-eighth of the unemployed. Longer searches for the right job—meaning higher unemployment rates—may be inevitable in a rich society like ours, with an increasing number of two-job families. People's tolerance is unpleasant and working conditions drops when the income is no longer absolutely essential. Unemployment compensation, for example, raises the unemployment rate, by a small but significant amount. But it is justified as a contribution to economic productivity, if it helps job-hunters to find the work best suited to their tastes and abilities.

Steady economic growth will make these searches a great deal quicker and more successful. Job training will help in some of the hardest cases. But Americans are increasingly inclined, evidently, to be selective and take their time in choosing jobs. The prospect for the coming year is higher unemployment than the country is accustomed to seeing during economic recoveries, despite anything the federal government can do—and despite those floods of help-wanted ads.

THE WASHINGTON POST.

## Namibia's Independence

The United Nations General Assembly sneaked in another political atrocity the other day. Though negotiations for independence are under way in Namibia, the African name of the land South Africa rules as the colony of South West Africa, the assembly shouted through a resolution endorsing "armed struggle" to end Pretoria's control. It is true that the resolution, approved by the kind of margin (107-6) that has come to signal assembly hysteria, adds no guns to the guerrillas on the ground. The idea behind it, however, is appalling: The United Nations is ostensibly devoted to the peaceful resolution of international disputes. Others, not the United Nations, are in fact trying to resolve this dispute peacefully. Yet here comes the assembly to endorse a solution by violence. The vote tramples on the UN Charter and on good sense alike. Anyone wishing to understand why the General Assembly has fallen into such low repute can end his inquiry here.

Behind the vote, of course, lies a shabby political exercise. Some time ago, the Namibian group called the South West African People's Organization (SWAPO) got the assembly to appoint it the "sole" representative of the Namibian people. SWAPO is the Ovambo tribal faction that is probably the best organized political/military operation in the country. But its claim to speak for all Namibians is absurd—at least in the eyes of a plain majority of Namibians, those whose leaders are engaged in negotiations now. By skillful diplomacy and by brandishing its Marxist credentials, however, SWAPO

won the assembly's critical sanction all the same.

This is the context in which the new assembly endorsement of "armed struggle" should be viewed—as another diplomatic victory for SWAPO. Its great fear, you see, is that other blacks in Namibia will negotiate the sort of independence that leaves to SWAPO, at best, only that share of power that it could hope to command by its own political resources. SWAPO would prefer to use the leverage of its guerrilla activity and its diplomatic strength to win total power. The UN is its patsy.

SWAPO's greatest ally, however, is not the General Assembly. It is South Africa. It is mainly South African rigidity that has stalemated the negotiations on Namibian independence, discouraged the moderate black tribes and mixed-race communities participating in those negotiations, and given SWAPO the opening that its guerrillas and diplomats are trying to widen now. Many Africans expect Jimmy Carter somehow to breathe new life into the negotiations when he takes office in January. Far more important is whether Pretoria changes its strategy and takes an approach that will permit the prompt establishment of an interim government in Namibia, the immediate ending of apartheid there, and an orderly transition to full independence—as promised by South Africa. By that process, SWAPO would have an incentive to join with its fellow Namibians in the building of the land they share.

THE WASHINGTON POST.

## International Opinion

### The International Economy

In the past year or so the strong economies have continued to do relatively well and the weak economies relatively badly. The strong economies are those of the United States, West Germany and Japan... The new and old leaders of the industrialized democracies have a few months in hand in which to get to know each other—at bilateral meetings rather than a premature collective summit—and it is to be hoped that this is the course that will be followed... It is the United

States, Japan and West Germany that are economically strong and are in a position to administer an economic stimulus without provoking new inflation. With this position goes a certain responsibility. The three most successful countries have become the guardians of economic order. They could make best use of this by acting together... There is a chance for economic leadership and coordination of a kind that has not been known for some time past.

—From the Financial Times (London).

## In the International Edition

### Seventy-Five Years Ago

December 30, 1903

CHICAGO—The First National Bank in this city is about to erect one of the largest office buildings in the United States. It would cost over \$5 million, will be 16 stories high, and will have a ground area double that of any other Chicago building. It is a remarkable fact that the Montauk building, a towering structure of 12 stories, built only a few years ago at a cost of 100,000 pounds, will be pulled down with other buildings to make way for the new Colossus.

### Fifty Years Ago

December 30, 1928

LONDON—"If lines are clear and the party at the other end is available, a party in London should be able to say 'Hello, New York' within 30 seconds to a minute after picking up a receiver and asking for 'American service, please.'" E. H. Shaughnessy, assistant chief engineer of the British Post Office, said today in discussing the transatlantic phone service to be opened within two weeks. London businessmen declare the transatlantic service will be well worth the rates charged.



## A Voice From the Grave in China

By Victor Zorza

WASHINGTON—"People's heads are not like leeks," Mao said 20 years ago. "If you cut them off, they won't grow again." The speech has now been published with the kind of fanfare that Peking preserves for major statements of policy—and, as in all such circumstances, there is more to it than meets the eye.

The surface meaning of Mao's pronouncement is that his widow, Chiang Ching, and her three accomplices should not be executed, as some of the victors in the Peking power struggle demand. The first execution, Mao feared, would be followed by a second, then a third, "and then many heads will begin to roll."

In China today, with political passions running high, and with attempts to settle old scores evident everywhere, the blood-bath that would follow the first executions would be fearful to behold. The old guard of party officials and military officers who have been repeatedly demoted, dismissed, and humiliated by the radicals believe that there is only one way to prevent yet another challenge to them—by getting rid of the challengers altogether.

The call for blood to which Mao's speech is a reply is not a simple call for vengeance. It is an issue in the policy debate now going on in the post-Mao leadership on which road China should take. Soon after Mao's death, signs in China seemed to suggest that the new leaders, Hua Kuo-feng and his supporters, particularly those in the army, wanted to adopt some aspects of the Stalinists' mode of government. This interpretation was disputed on the ground that no Chinese leaders would wish to emulate the Soviet example. But the blood purge which some Chinese leaders want to launch in order to liquidate the opposition is a typical Stalinist device, as was the earlier attempt—launched by the army press, and since followed by all the Chinese media—to build up a "cult of personality" for Hua.

### A Challenger

The opposition to Hua within the Politburo became evident almost as soon as he had arrested Chiang Ching and her associates. His opponents were pressing for a form of "collective leadership" rather than the one-man rule which he and the army wanted. It even became possible to identify Hua's main challenger, the mayor of Peking, Wu Teh, whose speeches, seemingly in praise of Hua, were couched in terms suggesting that he harbored certain reservations about the new leader.

Wu Teh, who disappeared for a while from public view, has now reappeared. But his record suggests that he is at odds with Hua.

Other Chinese leaders have disappeared from view in the past, and later events confirmed that their disappearances were connected with disputes and power struggles at the top, but some of them were to reappear in due course in positions of even greater strength than before. Indeed, the Wu Teh faction in the leadership seems strong enough to have published a major policy statement of its own—in the form, that is, of Mao's speech of 20 years ago.

It is Wu Teh who has associated himself publicly with the policy of leniency to the radicals, while Hua has insisted that the struggle against them must be carried out "to the end." The use of Mao's speech to oppose the calls for the execution of the radical leaders thus suggests that the Wu Teh faction in the Politburo is still strong enough to have forced on Hua and his military supporters the publication of a document which is, in some ways at least, unwelcome to them.

Nor have Hua and the military been able to force on the rest of the Politburo the major increases in arms spending which the radicals had opposed. Even after Hua defeated the radicals there were signs, between the lines of the Chinese press, that the debate about defense spending was continuing in the leadership. What the evidence suggested was that the army wanted from Hua more money for more and better weapons, as an immediate reward for its support, and that he was unable to grant it to them because of continuing opposition in the Politburo. The Wu Teh faction is now using Mao's voice from the grave to put the military, too, in their place.

### Mao's Proposal

Mao spoke at a time when the Peking leadership was divided by a similar dispute on military spending, and he insisted, as political leaders have often done elsewhere, that the best way to increase the country's defense strength was to strengthen the economy first—and to do this by reducing military expenditure. He wanted to cut defense spending by a third so that, he argued, the money should be used "for building more factories and turning out more machines." The defense buildup which the military wanted could be obtained "only with the faster growth of economic construction."

If they really wanted more and better arms, Mao told them, they would cut the arms budget. Otherwise, "you will stay in the old rut."

There are many other points in the Mao speech which could provide ammunition for those who wish to challenge Hua's policies. The old argument about priority for heavy industry on the one hand, and agriculture and light industry on the other, which also plays a major role in the current policy debate, was resolved in the Mao speech to the detriment of heavy industry. But Hua's emphasis on modernization demands a much higher priority for heavy industry than was given to it in the past—even though he also wants more rapid development of agriculture. The military has always urged for a stronger heavy industry as the foundation of a stronger defense capability. The radicals opposed too rapid a pace of modernization because they feared the effect this would have on the peasant-based Maoist model of society.

Thus China's most fatal year since the Communists took power ends, as it began, in a fog of words which seems, at first sight, to make the confusion worse confounded. But the fog can be penetrated. The outlines of the conflict have repeatedly emerged from the fog to make it clear that behind the struggle for power lies a debate over the policy which is to determine the future

of a nation of 900 million people. It is surely no exaggeration to say that the way in which the future of the world's most populous—and potentially most powerful—nation is determined could, in the long run, also determine the future of the world.

WASHINGTON—Most new administrations come to Washington proclaiming great changes, and leave regretting the stubborn resistance of the human race to all their noble plans, but as the Carter administration of Washington proceeds, the idea is getting around that it may really be a new year after all.

There is already a new emphasis on the home front, on the problems of the American family, on the importance of Vice-President-elect Mondale, who has been appointed "chief of staff," and on collective Cabinet responsibility, particularly in the fields of economics, finance and military and foreign affairs.

All this, of course, we have heard before in other transitions from intentions to realities, but while these are still personal tendencies reflecting Carter's naval and managerial techniques, the difference now is that the President-elect is acting on them.

### Some Firsts

Mondale has been given a larger role in the selection of the Cabinet and the preliminary discussions of policy priorities than any other vice-president-elect in memory. He was in on the first pre-Cabinet meeting with the economic subcommittee of the President-elect's first team and will preside over the National Security Council in the absence of the President.

This has happened before too, but Carter apparently means to assign Mondale, as the only official elected by the people, the hard and critical task of seeing to it that presidential decisions are carried out by the departments and agencies—a result often evaded down below. Every American president elected in the last 36 years has been preoccupied with foreign affairs—with the preliminaries, the operations and the consequences of the Second World War, the Korean and Vietnam wars and the cold war. But Carter is a strong nation—economically and morally—is the first priority for the new world stability he has been talking about.

Maybe he will be diverted like so many of his predecessors, for he will quickly face many urgent world economic and political problems, but he is taking over responsibility in a country with almost 8 million unemployed, and a capital city which according to the latest figures now has as many abortions per year as live births, and as many illegitimate births as legitimate.

### Priorities

We have not heard much from the President-elect lately about the physical, mental and moral health of the American people, or about policies at home and abroad that will reflect the moral integrity of the nation, but once

## A Season of Hoj And One of Regi

By David S. Broder

WASHINGTON—When you look back at 1978, it turns out that the highlight of America's bicentennial year was the Bicentennial. Defying the great American axiom that anything that is planned for more than 30 weeks or by more than 30 people is bound to be messed up, the 200th Fourth of July produced a smashing success.

Thanks to absolutely glorious weather, a profusion of local inventiveness and a superlative job of coverage by the television networks, we were able to share the experience of a constitutional block party—a dramatization of national unity that packed more emotion than anything else that happened in this past year.

There were some other memorable moments in the political world: Daddy King's benediction at the Democratic convention; the 33-minute silence on the first debate, Betty Ford's reading of her husband's concession statement.

But, for the most part, the politicians' efforts to perform up to the level of the occasion, to sustain the spirit of community we briefly glimpsed on that glorious summer day, fell short.

Very Ford—a President with whom all Americans felt comfortable and slightly more than half felt frustrated—had a campaign song with the line, "I'm feeling good about America. I'm feeling good about me." An Irving Berlin hit, let alone a Lincoln.

### Adjective-itis

Jimmy Carter, the fellow who ran against him and beat him, had a speech in which he promised to make the government "as good and honest and decent and truthful and fair and competent and idealistic and compassionate, and as filled with love, as are the American people." If he'd left out half the adjectives, more folks might have believed him—or voted for him.

Some voters felt the contest between these two worthies lacked issues, and Lord knows they were right. But there was a choice to be made, and people understood that, too.

Ford symbolized one kind of unity—built around the traditional Midwestern virtues of eagle scout, self-reliance and commonsense conservatism, learned by the tolerant attitudes of a close-knit but individualistic family.

It is a season of rightly or not, for regret, that some, through the , will not be back. A congressional retreat, I particularly Senators B field and Stuart Symm proved every day that full careers of public , not depend on the ru dence of personal and that effective politi also be considerate hum

Like others, I mourn of that good man, Se Hart.

We will be lucky if year—and its leaders—o where close to measur the heritage and the these men.

can concentrate at the l on the domestic scene point of fact, he says, economy "is precisely, most critical foreign po

There is one other i vious change. The new d hition on Carter's team be taking Carter's pro authority literally. For w have not been as availa press as expected, they to talk as informally as i when they do appear.

For example, they s hedging a bit on that Ca about cutting \$5 to \$1.6 of the defense budget an it a bit easier on matters of welfare and national care.

But overall, there is of change in the air, i within the Cabinet and t House staff but in their to one another, the Presid the Congress. Carter's new "chief of staff," Phil dale, "shows up my way and told his Cabinet not" about orders from the House staff.

You'll never experie directly coming from my House staff to you (the c on their own initiative President-elect said, "If i you and say the Presiden so and so done, you c assured I've told them that I'd like them to ask you. It hasn't always been t around here.

The International Herald Tribune welcomes letters from readers. Short letters have a better chance of being published. All letters are subject to condensation or space reduction. Anonymous letters will not be considered for publication. Writers may request that their letters be signed only with initials but preference will be given to those fully signed and bearing the writer's complete address.

INTERNATIONAL  
**Herald Tribune**  
Published with The New York Times and The Washington Post

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International Herald Tribune, S.A. au capital de \$320,000  
R.D. Paris 75 112 21 21, 21 rue de la Harpe, 75004 Paris Cedex 04  
Tel.: 222 23 00 Telex: 320 100 Herald Paris Cable: HTRIB  
L.A. Division de la Publication Walter H. Taylor  
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Communication Periodique No. 34 571



# Officials See a Breakthrough

## India Progresses in Birth Control

By William Borders  
NEW DELHI (NTN)—India is making the most of 1976 with a year of decidedly the most significant progress in birth control that it has made during any year in its history.

In a vigorous program launched last spring to give "top national priority" to solving what many perceive as one of the world's gravest population problems, India is now performing population operations at four times the rate of a couple of years ago.

From the crowded urban slums to the dusty farm villages where most of the people live, there is a new awareness of the federal

birth-control program, because of a system of official vasectomy quotas at every level and a strong program of what the government calls "incentives and disincentives."

"People have come to realize the importance of family planning to them, to their families, to the community, to the nation as a whole and to the children yet to be born," said Family Planning Commissioner S. S. Grewal in a year-end statement.

According to government figures, about 7 million sterilization operations have been performed in India, most of them on men, since the beginning of this year, bringing to 20 per cent the pro-

portion of fertile couples now protected one way or another against conception. With a population of 600 million, and adding 35,000 more people every day, India still has a population problem that is "most urgent," as Prime Minister Indira Gandhi has been saying more and more frequently.

But the successes of recent months have generated, at least temporarily, a new enthusiasm in an area previously often marked by despair. As a rural doctor in a birth-control clinic 1,000 miles south of here said recently: "I get the feeling for the first time that there's a real sense of commitment to population planning in India, all the way from the top to the bottom, and that can truly make the difference."

Critics of the government program charge that it often amounts to compulsory sterilization, which they find repugnant. They say there are particularly widespread abuses in the new quota systems, in which low-ranking officials and teachers are often charged with bringing in a certain number of vasectomy candidates a month.

In reply, the government concedes that there have been instances of overzealousness, sometimes leading to rioting. But it denies that compulsion is the intention and maintains, as Mrs. Gandhi put it earlier this year, at the beginning of the current drive: "We should not hesitate to take steps which might be described as drastic. Some personal rights have to be kept in abeyance for the human right of the nation, the right to live, the right to progress."

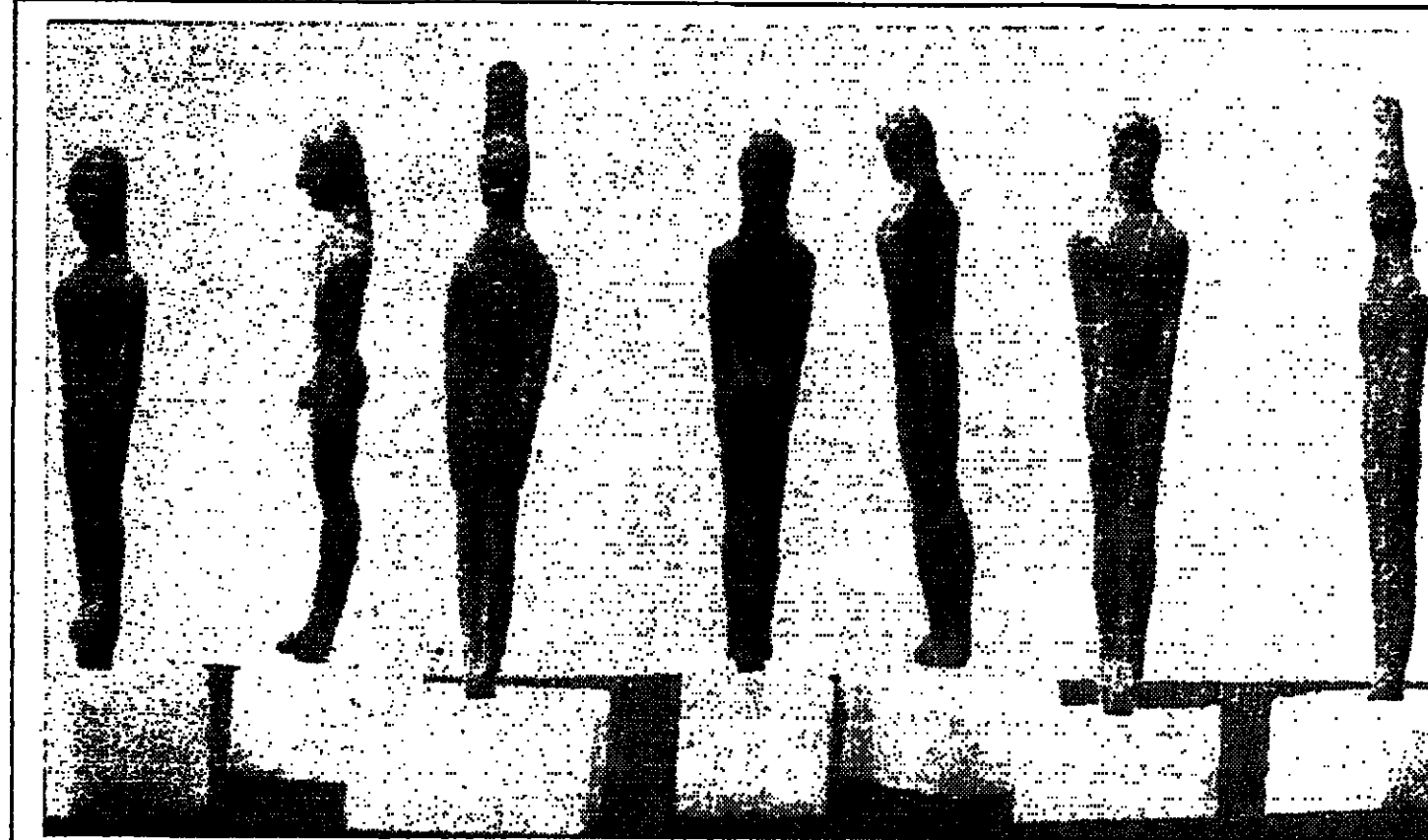
The greatest source of the program's impetus is Sanjay Gandhi, the Prime Minister's son, a 20-year-old son, who constantly promotes vasectomies in his frequent public appearances around the country.

Mr. Gandhi, who is married but has no children, is the leader of the ruling Congress party's important youth wing, which has adopted family planning with the slogan "Stop at Two"—as one of the points in a five-point program of social improvements that also includes tree planting and an attack on illiteracy.

India has officially encouraged family planning for 25 years, but the program, fighting superstition and backwardness among a largely illiterate population, achieved only limited success.

Mr. H. stands for Moët & Hennessy, the French holding company that controls Moët & Chandon, the largest champagne maker in the world. Hennessy Cognac and the house of Christian Dior among other things.

Moët, already a successful sparkling wine maker in Argentina, decided more than five years ago that the new American wine boom was worth a major investment.



## Bronze Bonanza

These bronze statuettes (about 10 centimeters high) are among the treasures excavated at Gabbi, 12 miles east of Rome, at a 2,700-year-old shrine. Italian authorities discovered the site last spring by trailing relic hunters. The shrine was evidently part of a much larger sanctuary. Scientists are now examining the finds—the dig will begin again in the spring.

UPI.

## The French Winemakers in California's Napa Valley

By Frank J. Prial  
YOUNGVILLE, Calif. (NTN)—"When we first came to California, there were two stories being told about us," said John Wright, president and board chairman of M. & H. Vineyards in California's Napa Valley. "One was that we were involved in a land ripoff. The other was that we were going to make bad wine purposely to downgrade all California wines."

Both rumors about M. & H. were false. It did buy a lot of land in the Youngville area—1,200 acres—and it has made wine. But it is hardly bad wine. In fact, even some of the most committed California wine chauvinists are saying that M. & H. already has set a new standard for fine American sparkling wine.

M. & H. stands for Moët & Hennessy, the French holding company that controls Moët & Chandon, the largest champagne maker in the world. Hennessy Cognac and the house of Christian Dior among other things.

Moët, already a successful sparkling wine maker in Argentina, decided more than five years ago that the new American wine boom was worth a major investment.

Lucien Dambron, to Youngville to teach the Americans the art of remuage (or riddling, as it is known in California)—turning the upended champagne bottles every day or until the sediment settles on the cork.

All this activity takes place in a winery destined to become one of the showplaces of the Napa Valley, already a treasure trove of magnificent wineries. Domaine Chandon is a huge winery by Northern California standards. When completed, perhaps in the spring, it will have storage and bottling facilities for 7 million bottles.

Visitor facilities will include a tasting room, a retail shop, a museum and, if the Napa County Board of Supervisors approves, a French country restaurant. Country officials are wary of anything too touristy in what is still mostly a beautiful rural area.

"We want the restaurant very much," Mr. Wright said. "We have a job of education to do here. We want to show people that sparkling wine is more than something for special occasions. We want to show that it goes with meals, too."

Mr. Wright explained that sales were being confined to California

for marketing purposes. "If we spread it around the country, we'd have no way to learn who buys it and whether they come back for more. This is really our test marketing period."

Almost 2000

The sparkling wine—it will not be called champagne—that Californians are buying now under the Domaine Chandon label is a blend of both the 1973 and 1974 vintages. The Napa Valley Brut has a very slight taste tinge to it. The Cuvée de Pinot Noir is almost a rosé. The color is the result of the way the pinot noir

grapes were picked and vinified. The 1974-75 Cuvée de Pinot Noir is lighter in color. Eventually it may be made with the same golden color as traditional champagnes, but Domaine Chandon people are waiting for the public reaction. If it is good, they will keep the color the way it is.

At present all Domaine Chandon grapes are purchased from other growers. M. & H.'s own vineyards will begin to bear usable grapes next year. So far, 200 acres have been planted. Eventually an additional 700 acres of vines are planned.

To date, Domaine Chandon has kept a low profile. Even now the promotion budget is almost nonexistent. There has been some good publicity, though, from a man who swears he will have nothing to do with the stuff: Victor Bergeron—known to most people as Trader Vic.

Mr. Bergeron, himself of French descent, says the French have smeared California wines for years. "Now they come in here, where the market is growing and take business from our own wineries," he said. "When you buy California wine, you support California business and the money stays here."

Trader Vic backs up his anger with table-top announcements in his restaurants depicting himself and a terrified-looking Frenchman. "We will not buy any of Domaine Chandon wines," he says.

## From Throne Rooms to Toothpicks

By Naomi Barry  
LONDON (IHT)—"A bacon and egg sandwich in 18-carat gold, please. Our chairman was in Geneva last summer. Couldn't get any food he liked."

Asprey made up the order in various shades of gold, set it on a slab of quartz, and dispatched it to the United States.

An ardent duck hunter from Anchorage called for a duck press. "The same kind they use at Tour d'Argent, but silver-plated." The press now sets the tone for gourmet dinners in Alaska.

Asprey, the world's most extravagant gift shop, is having its biggest holiday season in its 105-year history. But, as usual, there seems to be hardly a soul in the New Bond Street shop. This is because of sales abroad. Last year Asprey's got the Queen's Award for Industry for outstanding export achievement. This year the falling pound brought business from customers of every nationality. All packages were wrapped in shiny paper of the color known as Asprey purple.

Own Designs

The firm, which was established in 1871 by descendants of Huguenot craftsmen, differs from most other purveyors of fine china, crystal, jewelry, bibelots, antiques, leather goods and expensive novelties. It maintains its own ateliers and designing rooms over the selling floors.

Clients who want throne rooms turn to Asprey. Asprey's Portico Wood has designed three for Saudi Arabia and one for Nepal, among others.

"There's nothing like it, I venture to say," remarked 74-year-old Eric Asprey. "We are the Fabergé of our times."

What makes the house so special? Mr. Asprey touched on

Scale Models

This year saw requests for scale models of a gun carriage and a half-track, the last word in a floating oil rig and a log cabin in South Carolina. Down to the

Art Work Is Stolen From Italian Convent

L'AQUILA, Italy, Dec. 29 (UPI)—Thieves broke into the tiny Michetti convent before dawn today and stole a 17th-century painting of the Madonna and Child, police said.

The painting has not been attributed to any artist but it has been judged to be of great artistic value.

The thieves smashed through the door of the adjoining church to enter the convent in nearby Francavilla, police said, and made off with the 23-by-3-foot painting after removing it from its frame.

Closeup on 'Hansel and Gretel' Shows Pitfalls of Opera on TV

LONDON, Dec. 29 (IHT)—One of the besetting problems of televised opera is the difficulty, if not the impossibility, of sustaining illusion with a medium required to work at such close quarters.

This proved, not surprisingly, to be a consistently inhibiting factor in the otherwise charming new BBC-TV production of Engelbert Humperdinck's "Hansel and Gretel," sung in English and shown this week on BBC-2 with the score broadcast simultaneously in mono on Radio 3.

In an opera house, the spectator's distance from the stage assists the director and the artists in persuading an audience that an adult soprano and an adult mezzo may be just a little girl and her little brother. In this TV production it was impossible ever to imagine Elizabeth Gale, the Gretel, and Patricia Parker, the Hansel, as anything but two delightfully personable young British opera singers. Some way should have been found to relieve Miss Parker of the proud assertion: "I am a boy!"

Nothing to do about it, probably. It is conceivable that an accomplished chorboy might be found to play Hansel, but Gretel's music is too operatically demanding to be entrusted to a young girl. It is, come to think of it, too operatic for this fairy tale, and may be counted a miscalculation on Humperdinck's part.

For the rest, the production, with Benjamin Luxon, Elizabeth Connell and Ann Howard ideal as father, and mother, and witch, is another impressive success for the team of Brian Large (producer) and David Lloyd-Jones (conductor), whose past productions have come closer than any other to a satisfactory translation of opera from stage to screen, including the fact that the musical performance is not pre-recorded, and the lip-synch is so vexatious in other productions is thereby avoided.

Visual diversions for the overture and instrumental interludes are imaginatively conceived and executed, including, of course, a fanciful "Ride of the Witches," and, less obviously, a ride on a lily pad gondola through the magic forest for the dreaming children during their nap. One notes that the gondola leaves no wake—but then remembers that this is, after all, a magic forest.



Part of the cover of Pakistani booklet on birth control.

## Only 6% of Couples Participate

### Survey in Pakistan Indicates Birth-Control Drive Founders

KARACHI (NTN)—After an intensive program of education, at a cost of more than \$50 million, Pakistan is scarcely any closer to solving its population problem now than it was 10 years ago, according to an official survey.

The comprehensive survey, which was published a few months ago, indicates that only 6 per cent of the fertile couples in the country are practicing any method of birth control, despite propaganda and the wide distribution of contraceptives.

The government has nearly doubled its birth-control budget, and it is planning to involve thousands of practitioners of indigenous medicine and other locally influential people.

Mr. Zahidi also plans to lay much greater stress on sterilization and government planners hope that by the early 1980s as many as 7 per cent of the couples will be protected by sterilization—of the woman, in most cases.

"Naturally it's discouraging," said one of the many officials working on the ever-expanding government program. "It just means we'll all have to try harder."

With 75 million people living in a poor, arid land that is only twice the size of California, Pakistan has one of the world's greatest population problems, as it officially recognized in the middle 1960s.

"Get Your Dure"

"That's what gets you down—that they're been working on it so long here in Pakistan, with so little results," said one of the many foreigners who have come to Pakistan to help deal with the problem. "In Africa, in parts of Latin America, they're just beginning to take note of population, but the Pakistanis were thought to be way ahead."

According to the fertility survey, which was based on interviews with 5,000 carefully selected women around the country, Pakistan's birthrate is 46.5 per 1,000 of population. Some independent estimates place it even higher, at 43 or so per thousand—which is three times the birthrate in the United States.

Here, as in other underdeveloped nations, the phenomenon known as the population explosion results not from an increase in the birthrate but from a decline in the death rate, because of improvements in health care and sanitation. At the present rate of growth, Pakistan's population will double in 25 years.

The shadow of overpopulation darkens the prospect of our economic advance: it nullifies our efforts toward social progress. Prime Minister Zulfikar Ali Bhutto said recently, "But none of us, Bhutto's critics complain that he is not a sufficiently enthusiastic advocate of birth control."

Modern Orthodox

Pakistan is a rightly orthodox Muslim society with a particularly low literacy rate among women, many of whom rarely venture out in public, and talking about birth control is not considered politically wise here. Nevertheless, some people expect Mr. Bhutto to step up the population-control program after the general election expected early next year.

Already he has given the birth-control program greater priority by elevating its director to the rank of government secretary, a significant move in this protocol-conscious government. The man who holds the job, Mohammad Nadeem, spoke in a recent interview of giving "top priority" to the program.

## Mainbocher, a Couturier, Ran Salons in Paris, U.S.

NEW YORK, Dec. 29 (NTN)—Main Rousseau Bocher, 35, a fashion designer from Chicago who, under the name of Mainbocher, was a dominant figure in Paris couture during the 1930s, died in Munich Monday night.

Douglas Pollard, a fashion artist and a long-time companion of the designer, said Mr. Bocher had pneumonia for several months and died of emphysema and other complications in Harlaching Hospital.

Mr. Pollard said that Mr. Bocher's body would be cremated and that the ashes would be buried in France.

For 40 years, Mr. Bocher dressed rich and influential women, starting in his custom salon in Paris from 1930 to 1940. "Editor put me out of business," he recalled.

Transit, Gloria

He then set up shop in New York, where he dressed such women as Gloria Vanderbilt, C. Z. Guest, Mary Martin and some Hammond, until he closed his salon in 1971.

He had then 60 years old, and he was then "10 more good years" work in him, but the landlord had raised the rent on his salon and he felt he could not afford the extra cost. His clothes were still made primarily by hand, in the old couture tradition.

He presented his scrapbooks of his collections for 40 years to the Costume Institute of the Metropolitan Museum of Art—the sketches were made by Mr. Pollard—and moved to Europe.

For the rest of his life, he alternated between Paris and Munich.

He had gone to Europe originally to study music, but soon began to sketch dresses for fashion designers to help support his mother and sister. Later, he worked for Harper's Bazaar as an artist and for French Vogue as a fashion editor.

It was a time of grandeur and Mainbocher—he ran his name together in the manner of other couturiers—started the fashion world by his designing simplicity. He made short evening dresses instead of long ones, designed cloth coats for wear at night, instead of fur and used pleated, like checked, cottons for grand evening dresses. He became the rage of Paris.

Later, when he worked in New York, he introduced the decorative sweater that continued in fashion from 1941 to the mid-1960s.

## Obituaries

Perhaps his biggest achievement was his conception of the basic black dress, which was varied by the addition of flowers, pearls and overalls.

He was also proud of the uniforms he designed for the WAVES, the Women's Auxiliary of the Marine Corps and the Girl Scouts.

Perhaps his most celebrated client was the Duchess of Windsor, the former Mrs. Wallis Warfield Simpson. He designed her wedding dress. The gown's color, Wallis Blue, was devised to fit in with the pale watery green of the salon in the Chateau de Candé, where the wedding to the former King Edward VIII of England took place.

—By Bernadine Morris.

Ivan O. Belinsky

MOSCOW, Dec. 29 (AP)—Ivan O. Belinsky, 100, the Soviet Union's oldest general, has died. The Soviet Army newspaper Red Star reported military. The general started his military career as a cadet in 1887 at the age of 11.

Phil Iselin

NEW YORK, Dec. 29 (NTN)—Phil Iselin, 74, president of the New York Jets football club and Monmouth Race Track, died yesterday here after suffering his second heart attack in three months.

Noor Amin

NAIROBI, Dec. 29 (AP)—A son of Ugandan President Idi Amin, Army Capt. Noor Amin, 35, collapsed and died after a Boxing Day party Sunday, according to reports from Kampala.

Ivo Van Damme

ORANGE, France, Dec. 29 (UPI)—Middle-distance runner Ivo Van Damme, 22, of Belgium, 800-meter and 1,500-meter silver medal winner at the Olympic Games in Montreal, was killed in a car accident near here today, police said.

Princess Andrée

CANNES, Dec. 29.—Princess Andrée, 70, the former second wife of the late Aga Khan, died here today, family sources said. Princess Andrée, the former Andrée Curran, was the mother of the United Nations High Commissioner for Refugees, Prince Sadruddin Aga Khan.

# BUDAPEST HILTON

For reservation, contact your travel agent, any Hilton hotel or Hilton Reservation Service office in Geneva, Frankfurt, Hamburg, Lisbon, London, Madrid, Paris and Stockholm.

Opening 1 January 1977, the new Budapest Hilton stands in a lovely old square next to the Matthias Coronation Church and Fisherman's Bastion. With its cocktail bar, restaurants decorated with treasures of folk art, its Troubadour Night Club and excellent conference facilities, this is a magnificent new hotel.

London Stores		
January Sales Calendar		
	1st Day	Finishes
OXFORD STREET:		
Debenhams	29 Dec.	15 Jan.
John Lewis	20 Dec.	13 Jan. (clearance sale)
Selfridges	30 Dec.	About 15 Jan.
REGENT STREET:		
Aquascutum	Ladies: 30 Dec. Men: 12 Jan.	Week to ten days
Austin Reed	29 Dec.	2 to 3 weeks
Dickens & Jones	30 Dec.	While stocks last
Jager	29 Dec.	Approx. 2 weeks
Liberty's	29 Dec.	About 3 weeks
Swan & Edgar	29 Dec.	2 to 4 weeks
Lillywhites	8 Jan.	2 to 3 weeks
PICCADILLY:		
Burberry's	5 Jan.	For as long as stocks last
Haymarket	30 Dec.	15 Jan.
KNIGHTSBRIDGE/		
Brompton Road:		
Harrods	8 Jan.	22 Jan.
Harvey Nichols	30 Dec.	22 Jan.
Peter Jones	5 Jan.	Approx. 10 days
(Sloane Square)		
Sloane Hove	5 Jan.	One week (11 Jan.)
BOND STREET:		
Fewcks	5 Jan.	22 Jan.
Wallace Heaton	29 Dec.	Approx. 2 weeks
White House	10 Jan.	13 Jan.

الأهل



- 1976 -		Stocks and	Sis.	S. D.M. prev	Crise	- 1976 -		Stocks and	Sis.	S. D.M. prev	Crise
High	Low	Div in \$	P/E 100s	High	Low	High	Low	Div in \$	P/E 100s	High	Low
				Quot.	Close					Quot.	Close

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Continued on Page 8.



## Itoh Will Absorb Ataka; Debt Put at \$3.4 Billion

TOKYO, Dec. 29 (AP-DJ).—C. Itoh & Co., Japan's fourth largest trading house, signed an agreement today with the financially stricken Ataka & Co. to amalgamate by next Oct. 1.

The object of the merger is to save off the near unimaginable financial consequences if Ataka were unable to repay its debts, currently estimated at 1 trillion yen (about \$3.4 billion), officials involved in the merger said.

The major banks—Sumitomo Bank and Kyowa Bank—which arranged the merger, said the agreement was completed "with the understanding that the problem of Ataka isn't only the problem of a single private business entity but also a problem affecting the whole national economy."

A bank official said that the government and its agencies were particularly concerned about the fate of Ataka—the country's 10th largest trading concern—because of the enormity of its debts.

The official said that over 230 Japanese financial institutions held about 540 billion yen on the trading firm's debts. About 44.1 billion yen is owed to foreign banks and financial institutions. The rest is owed to customers and affiliates of Ataka.

"We hope that this agreement can be worked out successfully. If it can't be, not only the credibility of the huge Japanese trading houses will be undermined, but the worldwide effect might be a kind of panic," a Sumitomo Bank official said.

The memorandum of agreement said that both Itoh and Ataka seek "warm support and understanding for the purported amalgamation not only from the Nippon Steel Corp. which has backed the two companies since the initial business tie-up (Feb. 6), but also from the government authorities... and Dai-ichi Kangyo Bank (Itoh's major bank)."

Sumitomo Bank said, however, that the government support could not be in the form of financial aid.

The memorandum said that it and Kyowa Bank had extended about 1 billion yen in additional aid to the company since its problem began when Newfoundland Refinery Co. of Nova Scotia defaulted on a huge sum of payments. The Canadian refinery is a wholly-owned subsidiary of Shaheen Natural Resources of New York. Ataka's U.S. unit, which acted as an import agent for Newfoundland Refinery, was owed about \$75 million when the trouble became public late in 1975.

Today's agreement will result in the creation of the third largest trading concern in Japan, ranking behind Mitsubishi Corp. and Matsui & Co. Marubeni is currently ranked No. 3 among the trading companies.

The agreement stipulates that the formal agreement for amal-

gamation will be signed by the end of May. Shareholder approval is expected by June and the actual merger is scheduled for next Oct. 1.

By that time Ataka is expected to have divested itself of most of the divisions which in the past competed with those of Itoh. About half of Ataka's 3,500 employees are expected to remain with the restructured concern. It is expected that Ataka's chemical and iron-steel divisions will remain intact while other divisions such as textiles will be sold off for their assets.

The memorandum of agreement said the following conditions will have to be met before the merger can be completed:

- "Positive cooperation" of the major banks involved with Ataka and Nippon Steel as well as other customers of the company.

- The financial condition and profitability of Ataka will have to be improved.

- It will have to meet the requirements of Japan's anti-monopoly laws.

- There must not be any "material impediments to the amalgamation."

Ataka reported earlier this year that it had a net loss of 35,485 billion yen in the fiscal first half ended Sept. 30 compared with a loss of 650 million yen in the year-earlier period. Its sales totaled 821,871 billion yen, down from 997,344 billion yen.

## Kuwait to Back Loan for Spain

NICOSIA, Dec. 29 (AP-DJ).—Kuwait is to underwrite a \$600-million bond issue for Spain, the Saudi Arabian press agency reported today.

The money is to be raised through loans in Kuwait and other oil-rich Arab countries, the agency said.

## Bangladesh Prospects Better After Two Good Rice Harvests

DACCA, Dec. 29 (AP-DJ).—Deying predictions of a few years ago, Bangladesh is showing surprising political stability and economic strength.

Benefiting from unusually good weather, Bangladesh farmers have produced two record annual rice harvests in a row. Storehouses are full, and food imports have been reduced. This two-year respite from mass starvation, in turn, has enabled the military-backed government of Gen. Ziaur Rahman to consolidate its position.

However, not even the optimists see any way out of Bangladesh's long-term problems. The worst is its population growth, 3.1 per cent or more a year, which has turned a nation that before 1959 had been a net exporter of rice into a net importer of grain, despite an increase in rice production.

A Natural Greenhouse

The land itself is a natural greenhouse: half of the cultivated 23 million acres is suitable for double cropping, and some could raise three crops a year. But growing more than one crop requires irrigation during the dry winter season, and only 1.2 million acres are irrigated. As a result, Bangladesh has one of the lowest yields per acre anywhere—about half a ton per acre, compared with an average of 1.5 tons elsewhere. Just a 20-per-cent increase in yield, experts say, would make Bangladesh self-sufficient and perhaps an exporter again.

But improvement is unlikely soon. Farmers seem reluctant to grow more rice than they themselves need, and even those with irrigation systems are reluctant to use them, citing high gasoline prices and the low price paid for rice.

The low price is mostly due to the recent bumper harvests and the government's success in stopping massive smuggling of rice to India. The government also has purchased rice—perhaps 500,000 tons of the estimated 13 million tons grown this year—at above-market prices and thus has bolstered farmers' incomes. Some what offsetting this price support, however, has been another government program, a massive food-for-work plan in which laborers receive free foreign wheat (and thus buy less rice) in return for employment in public-works projects.

Cheap Rice Fuels Recession

Cheap rice means that almost everyone has enough to eat, but it also means that most Bangladeshis, whose income derives from rice-growing, have less money to spend. A recession has resulted. Meanwhile, the government has continued to press for food self-sufficiency in order to shore up against the inevitable return of bad weather (Bangladesh averages only two years of unusually good growing conditions out of five). However, Bangladesh will get

## KemaNord to Bid for Swedish Match

Sweden's KemaNord chemicals group plans to make a take-over offer to the shareholders of the Swedish Match group (Svenska Tändsticks AB) following rejection of the offer by the STAB board. KemaNord plans to offer one new KemaNord share and a 200-kronor convertible bond carrying a 9-per-cent coupon for every four STAB shares. The STAB board said it will recommend that its shareholders reject the offer. The two companies are both part of the Wallenberg industrial empire. The president of the STAB board, Lars Erik Thunholm, who also heads the Wallenberg command ship, the Scandinaviania, said that "where there were primarily two factors which made us advise the shareholders against accepting the KemaNord bid: it cannot give STAB advantages in the long run and it is not attractive enough for the shareholders. Furthermore, the two companies are structurally different."

## Luxembourg Banks to Merge

Banque Internationale à Luxembourg (BIL) will absorb Banque Lambert-Luxembourg, a wholly-owned unit of Banque Bruxelles Lambert. The Belgian bank currently holds an undisclosed interest in BIL and as a result of the transaction

## Metal-Substitute in Buildings, Vehicles

## Fibred Epoxy Seen U.S. Industrial Boon

By Victor K. McElheny

NEW YORK, Dec. 29 (NYT).—One of industry's holy grails, pursued with growing fervor as pressure mounts to conserve energy and scarce materials, is to reduce the weight of a structure—such as a space shuttle, an airplane, an automobile, a bicycle or a golf club—while retaining its strength.

In the last 10 years, an increasingly economical but still expensive way to achieve strength with lightweight is to embed fibers, composed of the somewhat amorphous form of carbon called graphite, in epoxy and other resins to make components as stiff and strong as metal, but much lighter.

The price of the fibers, made first from rayon, then from polyacrylonitrile and finally from

pitch, sank from \$800 a pound at introduction in the mid-1960s to \$33 this fall.

Larger and larger structures became possible. The record currently is held by the giant doors of the space shuttle's cargo bay, fabricated by the Tulsa plant of Rockwell International Corp.'s Space Systems Division. The graphite yarn used in the 60-foot-long door assemblies is called "Thermal 500" by its manufacturer, the Carbon Products Division of the Union Carbide Corp.

Use in Autos

If the cost of the graphite fibers could be driven below \$10 a pound, enthusiasts say, the product would gain such mass-market uses as a graphite-epoxy frame for an automobile.

To achieve the overall stiffness of a steel frame, the graphite-epoxy structure would only have to weigh a fourth as much, according to William Chambers, who until recently headed carbon fiber development for Union Carbide.

Furthermore, he reported last year, the graphite-epoxy composite—in contrast to "monolithic metal"—could be tailored to provide stiffness and strength only at the precise points needed, thus saving more weight. Also, the frame would not have to be over-designed to allow for rusting.

In Dr. Chambers's view, lightweighting a car's frame would also bring massive savings in engine power and weight, suspension systems, brakes, wheels, tires and energy consumption.

The day when such possibilities can be considered seriously now seems much closer after Union Carbide's recent announcement that it is producing a continuous graphite fiber from pitch at a price of \$20 a pound instead of \$32.

2,900 Filaments

The fiber contains 2,900 filaments. Its stiffness, or "elastic modulus," is rated at 50 million pounds per square inch. Its tensile strength is rated as 175,000 pounds per square inch.

Union Carbide is predicting that the price of the fiber in the early 1980s, when production is expected to go above a million pounds per year, will be less than \$10 a pound.

With the assistance of such light materials as graphite fiber, regular flights of the space shuttle in 1980 and afterward would allow both larger and cheaper communications satellites to be placed in orbit, according to James Fletcher, administrator of the National Aeronautics and Space Administration.

Domestic communications satellites like those serving Canada, Indonesia and the Western Union system in the United States, Dr. Fletcher notes, cost about \$10 million to manufacture but \$13 million to launch.

By spending up communications satellites in the 60-foot-long, 15-foot-wide cargo bay of the shuttle, and then using a rocket to boost them to positions 22,300 miles above the equator, Dr. Fletcher estimates, the launching expenses would be reduced "from more than half to less than a quarter of the total cost."

Dr. Fletcher said that the shuttle could carry up structures of communications satellites equipped with transmitters much more powerful than today's. The satellites could handle up to 25,000 switched channels.

As a result, he said at a meet-

ing on public-service satellite communications in Greenbelt, Md., this month, "wide-area radio" receiver-transmitters could communicate via the giant satellites.

The little transmitters could have a power as small as a fraction of a thousandth of a watt, be no larger than a watch crystal and cost about \$10, Dr. Fletcher forecast.

NEW YORK, Dec. 29 (AP-DJ).—Wall Street's year-end rally has raised hopes anew that a third upward phase has begun, similar to those that boosted stock prices early in 1975 and 1976.

Many technical analysts give the Dow Jones industrial average a good chance of soon testing its 1976 high of 1014.78, set Sept. 31, and even challenging the peak of 1051.70, reached early in 1973.

Beneath the surface, however, the dynamics of the marketplace may be fuzzier than they appear in the pleasing picture painted by the charts. It is not clear to some analysts that even a move to new highs by the industrial average would actually resolve the market's nine-month-old trading range impasse on the upside.

With yesterday's close of 1000.08, the Dow Jones indicator crossed above the 1000 line for the 12th time this year, on a daily closing basis. Except for a sharp drop to the 924 level on Nov. 10, the average has spent most of its time since the buying stampede of January and February in the 970-1015 range.

The recovery since Nov. 10 and the vigor of the year-end rally have increased the expectations of technicians, with a few exceptions, for a "breakout" to new highs.

"The market could top out early in the first quarter," says Gail Dunsack of Perkins & Co. "Nevertheless, with both the Dow Jones transportation and utility averages recently at new highs, we expect industrials to catch up and test the 1050 level in the next four to eight weeks."

Outright skeptics are few but they do exist. One is John

## Analysts Optimistic on Outlook for NYSE

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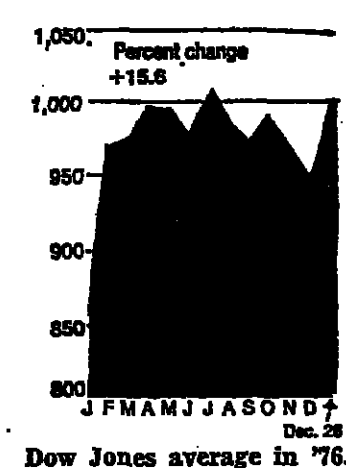
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Dow Jones average in '76.

Mendelson of White, Weld & Co., who says he remains unconvinced by the year-end rally.

"We continue to believe that the long consolidation, or correction, in effect since early March, isn't over and that it will end with further weakness rather than the widely expected upside breakout," he says. He expects the Dow industrial average to begin a decline of about 10 per cent soon and expects broader market indexes to fall by a greater amount.

One of the question marks for analysts is the state of institutional investors' buying power. Institutions have remained fully invested and did not raise cash reserves appreciably during the November decline, says Robert Farrell of Merrill Lynch. "Professionals may not only be reducing cash reserves to minimal levels but also may be using funds normally invested in January," he says.

He sees evidence that money managers, trying to anticipate

the kind of market spurt seen in the early months of 1975 and 1976, have jumped the gun. Average daily volume this month has been nearly 36 million shares, he says, compared with 15.9 million last December. "Obviously, something is being borrowed from January, and conditions aren't similar to those that led to January renaissance stampedes in each of the last two years."

Although he is bullish about the longer-term market trend, Mr. Farrell believes the most likely course over the near term will be a peak in January followed by "a significant intermediate reaction" in the first quarter.

Jack Solomon, of Thomson & McKinnon, Auchincloss, Kohlmeier Inc., says he is impressed by the market's latest moves and believes both a new recovery high and a new all-time high appear "likely and logical" as the inauguration of President-elect Jimmy Carter approaches.

"We wouldn't regard achievement of new highs as the threshold of a dynamic new market, but an amber warning signal for a full-sized correction of the advance of the past two years," he says. The December, 1974, low from which this bull market began was 577.80.

Charles O'Hay, market strategist at ABD Securities Corp., believes the Dow could reach 1080 next month, then fall back to the 980 level by spring if Mr. Carter's tax-reduction package is too small or nonexistent. He believes the market will recover to about the 1150 level by next July or August, followed by a decline of about 20 per cent in late 1977 and a more dynamic bull market in the 1978-82 period.

6 Indicators Up

For November, today's report said, six indicators increased and four declined. The two other indicators normally included in the index—changes in inventories and net business formation—were not available.

The Commerce Department also issued reports for the first time on two other indexes. One is the so-called composite index of coincident indicators, which increased by 1.1 per cent in November. The second, the composite index of lagging indicators, decreased by 0.4 per cent.

Coincident indicators are designed to give a picture of how the economy is doing in a given month, while the lagging indicators are supposed to confirm signals given earlier by the leading indicators.

## Norwegian Unit Recommends Aid To Shipbuilders

OSLO, Dec. 29 (Reuters).—A government-appointed committee has proposed a series of measures aimed at helping Norway's crisis-hit shipyards.

The measures include a 400 million kroner (about \$77 million) to secure the necessary delivery credits since this year. The committee also proposed a fund of 300 million kroner for reorganizing the shipbuilding industry into other production.

Industries Minister Bjartmar Gjerde warned that further cuts in Norway's shipbuilding capacity were necessary despite a previous 20-per-cent reduction through restructuring and shorter working hours.

The report said that several Norwegian yards would be without contracts in six months. Japanese yards are offering new ships at prices 30 to 40 per cent less than Norway's yards, it said.

U.K. Aid Sought

LONDON, Dec. 29 (Reuters).—British shipbuilders today appealed for urgent government aid to prevent the industry's decline through lack of orders.

John Wright, president of the National Association of Shipbuilders and Repairers, said Britain was now the only major European shipbuilding country without a survival policy for its industry. He said orders are running at no more than one-third of the tonnage required to maintain the output of U.K. yards at its present level.

N. Korea Settles Debt

TOKYO, Dec. 29 (AP-DJ).—Japan and North Korea reached an agreement on the rescheduling of North Korea's \$200-million trade debts to Japan today, Sadoo Murakami, president of the Japan-North Korea Trade Council, said today. The agreement also included new interest rates to be charged on overdue debts but Mr. Murakami declined to disclose details, because, he said, North Korea now is negotiating its debts with West European nations.

## 'Lead' Index In U.S. Rises 1% in Month

## Economist Sees End Of Long Slowdown

WASHINGTON, Dec. 29 (NYT).—The government's index of leading economic indicators—considered a key barometer of future business trends—registered a 1-per-cent increase in November, the Commerce Department reported today.

The department also revised upward to 0.6 per cent the October increase in the index. It previously had been put at 0.2 per cent.

The department's chief economist, John Kendrick, said the improvement in the last two months "indicates that the slowdown in the economy is behind us and we are entering into a period of more substantial growth in the economy."

He said that a three-month summer decline in the index reflected the economic situation at that time and does not point to any additional slowdown in months ahead.

Other Good Signs

He said that the improvement in the economy has also been seen in other economic statistics, and may be reflected in an improved employment picture when the December employment report is released next week. Unemployment last month was at a 1976 high of 8.1 per cent. But optimism was created by recent reports of rises in industrial production, retail sales and personal income.

The November rise, which put the index at 137.5 per cent of the 1967 average, was the strongest increase since June, which also produced a 1-per-cent gain.

November's strong showing by the indicators, coming with the strengthened report on October's performance, followed three consecutive monthly declines that had raised concern among economic advisers to both President Ford and President-elect Jimmy Carter.

Independent economists said that while the revised figure for October and the report on November are encouraging, and may indicate that the pause in the nation's economic recovery is ending, today's report should not generate too much optimism, because the index measurements are subject to major revisions.

For instance, the Commerce Department today said that revisions of the index measurements for July, August and September now show that the indicators had a decline in each of those months. July showed a drop of 0.1 per cent, August a 0.2-per-cent decline and September a dip of 0.6 per cent.

6 Indicators Up

For November, today's report said, six indicators increased and four declined. The two other indicators normally included in the index—changes in inventories and net business formation—were not available.

The Commerce Department also issued reports for the first time on two other indexes. One is the so-called composite index of coincident indicators, which increased by 1.1 per cent in November. The second, the composite index of lagging indicators, decreased by 0.4 per cent.

Coincident indicators are designed to give a picture of how the economy is doing in a given month, while the lagging indicators are supposed to confirm signals given earlier by the leading indicators.

All these securities have been sold. This announcement appears as a matter of record only.

NEW ISSUE

## The Council of Europe Resettlement Fund

for National Refugees and Over-Population in Europe

Strasbourg/Paris

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## Olympic Report to Await Carter

WASHINGTON, Dec. 29 (UPI)—President-elect Jimmy Carter will have an opportunity to take quick action in helping U.S. amateur athletes onto the right track for the 1980 Olympics in Moscow.

A final report of a special commission on Olympic sports to be submitted to the White House on Jan. 13—seven days before Carter is inaugurated—is expected to contain a series of tax and government financing proposals which the incoming chief executive could recommend to Congress early in his administration.

Michael Harrigan, executive director of the commission set up by President Ford last year, declined to give details of the report but said it would be a "comprehensive blueprint" for a new approach to U.S. Olympic preparations in every sport.

"We're not advocating putting the government in the sports business," he said in an interview, "but there will be significant legislative guidelines in a number of areas, particularly in the area of tax incentives and financing of some sports projects."

Harrigan said he and commission chairman Gerald Zornow plan to discuss the broad outlines of the report with Gov. Jimmy Carter and Secretary of State William French Smith in the coming week. Harrigan said the report will be a "comprehensive blueprint" for a new approach to U.S. Olympic preparations in every sport.

However, any federal implementation of the commission's work would have to be carried out by Carter. Harrigan indicated a preview copy of the report would be sent to Patino, Ag. The new President could advocate that some of the tax sports incentive features be included in a general tax reduction bill which is expected to go to Congress early in the session.

Harrigan said that the 22-member commission, which included a number of former U.S. Olympic stars, would strongly caution against establishing any sort of government sports

"club" or dominant federal agency to direct amateur sports efforts in this country.

Instead, he envisions a quasi-government body "which would not be regulatory but representative of all groups involved and would bring into play appropriate checks and balances."

While such a group might have mediation and arbitration authority, Harrigan said he hopes the commission would be able to bring about an effective Olympic effort through persuasion and guidelines. "It's pretty hard to argue with democracy," Harrigan commented.

He credited the U.S. Olympic Committee with being responsive to changes which may prove significant in the future, particularly the decision to set up year-round training centers for prospective Olympic participants.

The Amateur Athletic Union "also seems willing to work for reasonable changes in approach," he added and noted the rival National Collegiate Athletic Association is sending to cooperate in such overlapping fields as wrestling, basketball and track and field.

"I think our existence forced them to change their view," Harrigan said of the commission, which heard 60 witnesses at formal hearings and hundreds more through the work of individual task forces which studied the problems of every Olympic sport, from figure skating to swimming.

Harrigan also pointed out that witnesses representing women's sports groups stressed that they wanted more of a voice in the conduct of the Olympics.

He said there will be a major chapter on varying views of amateurism in the 400-page report, citing that hockey and soccer, for instance, have far different definitions than that in track and field.

"The report should have a direct impact on what we do in Moscow in 1980," Harrigan said. "There's no question in my mind about that. How much impact, however, will depend on the sports authorities, the public and the new President."

## Poll of Fans Favors Free Agents Money Best Way to Buy a Pennant

By Red Smith

NEW YORK, Dec. 29 (NYT).—Sportswriters and sportscasters blessed with more sensitive antennae than some of the rest of us have been assuring us for years that "the fans are fed up" with the financial demands of greedy athletes and "the public is sick and tired" of complaints from spoiled brats crying for their freedom. Since the authorities who give us this information never reveal their sources, it has not been clear how they could be so sure about public attitudes.

Now, for the first time, comes a more or less reliable sampling of opinion nationwide. A Harris poll has ascertained that a substantial majority of baseball fans approve the players' newly won right to work out their contractual obligations and then sell their services on a fairly open market. The margin was 54 per cent in favor of the free agents, 32 per cent opposed and 14 per cent undecided. Thus even if all the fence-sitters decided to fall off on the side of the opposition, freedom would still get a faster slice of the popular vote than Jimmy Carter did.

When the Messersmith-McNally decisions of last winter opened a fissure in the restrictive old reserve system, everybody in the baseball hierarchy squealed like a pig under a gate. Club owners cried that they

couldn't stay in business without owning their employees outright, as they had for a century. Now, though, there is evidence at least some of them have discovered that they can profit by the change.

More Changes Ahead  
The head of one club predicted recently that 200 players, an average of eight teams, would play out their options and become free agents in 1977.

"Do you think your team will lose eight players?" he was asked.

"I certainly hope so," he said. When representatives of the clubs and players agreed on a modified reserve system last summer, they fixed Aug. 9 as the date it would become effective. Players who signed 1976 contracts before Aug. 9 would have the right to play out the option in 1977 and be free at the end of the World Series next October. Players who signed after Aug. 9 would come under the new arrangement requiring six years of major league service as a precondition to free agency.

Most players signed before the deadline and are entitled to play out their options next year. All but 24 of the others agreed to terms after Aug. 9 and it is the price tag of some of those 24 that makes some believe the free-agent play will be much more popular in 1977.

The executive who hopes to lose eight players has been trying for years to build a contender, and he knows from painful experience that a laborious task that is to be done in the market next fall, the way to prepare is obvious: sign your best players to multiyear contracts and let the disposables play out their options. If eight of these walk out on you, you are entitled to sign eight others

who will be, presumably, more desirable than those you lost. It's like trading a player and cash for a better player. Just as California, in effect, traded Paul Dade, Billy Smith, Tim Lincecum and \$5 million-plus for Rudy Grich and Baylor.

To be sure, this strategy may be questionable on ethical grounds. And if somebody does buy a winner that way, it will reinforce the old argument about the rich club monopolizing the talent. Yet having 200 qualified players on the open market would only recreate a situation that existed earlier in this century before Branch Rickey invented the farm system.

Good Old Days  
In those days a club controlled only the players on its own roster. Connie Mack could, and did, go out to Pottsville, Pa., and pick up a Babe Waddell by getting his deal with all the merchants on Main Street. He could, and did, raid the National League for players like Larry Lajoie, Lave Cross and Topsy Harzel, pluck an Eddie Collins off the Columbia campus, get a Chief Bender from Dickinson College, a Jack Coombs from Colby, an Eddie Plank from Gettysburg. He could, and did, pay Greenville, S.C., \$25 for Shoeless Joe Jackson, whom he traded to Cleveland.

As late as the 1920s there were still enough players on the market to staff a pennant winner. In that era Connie bought Bing Miller from Washington, Eube Walden and Mickey Cochran from Portland, Ore., Al Simmons from Milwaukee, Max Bishop and Lefty Grove from Baltimore, and Jimmy Fox from Boston, Md.

In later years when big league teams had all the talent tied up in their minor league teams, Connie yearned for the good old days. He said Judge Landis did, too, and that's why the commissioner policed the farm system as vigilantly as he did.

If there are hundreds of free agents on the market next fall—and it should be remembered that this is what the hierarchy predicted for this year—then the old days will be back, but only for a short visit.

This man has a rich owner who, like Anty, will spend big money. It is really going to be a huge pool of talent on the market next fall, the way to prepare is obvious: sign your best players to multiyear contracts and let the disposables play out their options. If eight of these walk out on you, you are entitled to sign eight others

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## Psychology Super Factor for Raiders, Vikings

By Dave Anderson

NEW YORK, Dec. 29 (NYT).—It should be known as the Superpsychic Bowl. At the time, 1976, the Minnesota Vikings and the Oakland Raiders in their one team finally will "win the big one" and the other team will "lose the big one" again. As the monkey leaves one team's back, it will jump and double the future burden on the other team.

Neither the Vikings nor the Raiders have ever won their last post-season game. The Vikings have lost three Super Bowl games, the Raiders have lost one Super Bowl and six American Football Conference championship games. But a week from Sunday in the Rose Bowl at Pasadena, Calif., either the Vikings or the Raiders will win—perhaps by default in the third overtime period.

Their link as losers of the

"the big one" is ironic because the franchises are linked in pro football history. Not many fans remember that the Raiders exist only because the Vikings do. When the American Football League was organized for the 1960 season, Oakland did not have a team. Instead, the AFL had granted a franchise to a Minneapolis-St. Paul group that included Max Winter, now the Vikings' president. But the NFL had expanded to Dallas for 1960 and George Hales, the Papa Bear with the loudest roar in the NFL at the time, wanted the Minnesota area for his TV market and also to keep the AFL from establishing a stronghold.

When the NFL granted a 1961 franchise to the same Minneapolis-St. Paul group that had the AFL franchise, the owners naturally chose to join the established league.

Several months later, Oakland was selected as the AFL's afterthought team. Despite a late start in signing players, the Raiders produced a respectable 6-8 win-loss record in 1960. But during the next two seasons they lost 19 consecutive games. Wayne Valley, then the Raiders' most prominent owner, hired Al Davis, then an assistant coach with the San Diego Chargers, as head coach.

"I hired him," Valley once said, "because everybody hated his guts."

And a decade later Valley also hated Al Davis' guts. In litigation over stock ownership ("I've got a fox in my chicken coop," Valley claimed), Davis won. As a coach and managing general partner, Davis has won everything except the Super Bowl.

And the Vikings also have won everything—except the Super Bowl.

Perhaps to prove it to themselves, the Raiders and the Vikings each have compiled statistics that show their success despite failure. Since the arrival of Davis, the Raiders have the best win-loss record in pro football—129-46-11—and since the 1970 merger of leagues, the Vikings have the best record—75-22-1.

But both those statistics are based on regular-season competition. Up to now, neither the Vikings nor the Raiders talk much about postseason games. But after the Superpsychic Bowl, one will.

Emotionally, the Vikings appear to be entering the Super Bowl on a more reasonable level. After their 24-13 victory over the Los Angeles Rams on Sunday, they realized their mission was not complete. But the Raiders, in contrast, celebrated like high school kids after defeating the Pittsburgh Steelers, 24-7—the players tossed both Davis and coach John Madden into the showers. That might be the sign of a team that is merely happy "to be in" the Super Bowl. Those teams invariably leave their best game in the victory that qualified them "to be in" rather than saving their best game for the Super Bowl itself.

Only the Green Bay Packers, the New York Jets and the Steelers won the Super Bowl in their first appearances.

Too Much Show  
For the Raiders, who lost in the Super Bowl nine years ago, this will be the first appearance for most of their players. For most of the Vikings, it will be the third or fourth time around. Asked what Grant was doing, the players tossed both Davis and coach John Madden into the showers. That might be the sign of a team that is merely happy "to be in" the Super Bowl. Those teams invariably leave their best game in the victory that qualified them "to be in" rather than saving their best game for the Super Bowl itself.

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## NHL Rangers Achieve a Lot in Winning in Washington

ANDOVER, Md., Dec. 29 (UPI)—The New York Rangers accomplished more than a 5-2 victory over the Washington Capitals last night. They ended losing streak and shattered a jinx.

The Rangers, last in the National Hockey League's Patrick Division, had won only two games in December and were carrying a five-game road losing streak. More significantly, they hadn't beaten the three-year-old Caps in four previous Capital Centre appearances.

"Someone said once that today is the first day of the rest of your life," said Rangers' captain Phil Esposito, who scored goals in the second and third periods. "Maybe that's how we should look at today's game, because we really don't have anywhere else to go but up."

Esposito's first goal, which came on a deflection with four seconds remaining in the second period, capped a three-goal period that brought New York back from a 2-0 deficit.

"They really surprised us because they came out pretty hard in the first period," said New York coach John Ferguson. "They were aggressive and I don't think we were ready for that."

Ferguson's reaction to the aggressiveness was to tell right wing Phil Gosselin to shoot more and draw defense into the offensive. The strategy worked as Gosselin scored in two of the three second-period goals.

The Caps were outshot, 45-16, including a 20-3 disadvantage in the second period.

"They haven't figured out a way yet that you can score if you don't shoot," said Washington coach Tom McVie. "And we sure didn't shoot, so we had no business scoring at all."

North Stars 3, Kings 3  
At Bloomington, Minn., short-handed goals by Tom Youngblood and Bill Fairbairn powered the North Stars to an 8-3 victory over Los Angeles.

B Blues 4, Islanders 4  
At St. Louis, Garry Howatt and Billy Harris rifled home goals in the closing minutes of the final period, clinching a rally that lifted the Islanders to a 4-4 tie with the Blues.

PASADENA, Calif., Dec. 29 (AP)—The Rose Bowl Saturday is a matchup of all-American runners, Ricky Bell of Southern California versus Rob Lyle of Michigan.

John Robinson, California coach John Robinson said Bell "will be the best college football player of all time," while Michigan coach Bo Schembechler—who rarely lavishes praise—has had only praise for Lyle.

Bell finished second to Tony Dorsett of top-ranked Pittsburgh in the balloting for the Heisman Trophy. Lyle finished third.

Bell, No. 42, is a senior from Fremont High School in Los Angeles. Lyle, No. 41, is a senior from Fremont High School in Ohio.

Both the tailback or fullback positions. Bell mostly at tailback and Lyle mostly at fullback.

Last year Bell led the nation in rushing with 1,987 yards. He had 347 this year against Washington State (in 51 carries) before hip and ankle injuries hampered him. But he wound up with 1,417 yards rushing and

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## All-American Running Duel Expected in the Rose Bowl

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Football Odds		
Favorite	Ps	Underdog
Raiders	1 1/2	Vikings
COLLEGE BOWLS		
FREDAY		
PEACH		
Kentucky	4 1/2	No. Carolina
ASTRO-BUSHEONNET		
Nebraska	3 1/2	Texas Tech
JAN. 1		
SUGAR		
Pitt	3 1/2	Georgia
COTTON		
Maryland	1	Houston
ROSE		
Michigan	6	USC
ORANGE		
Ohio St.	5 1/2	Colorado
JAN. 3		
SUN		
Texas A & M	6 1/2	Florida

## New Year's Defense

TOKYO, Dec. 29 (AP)—Champion Gustavo Espadas of Mexico and challenger Jiro Takada of Japan have signed contracts for their World Boxing Association flyweight title bout in Tokyo on New Year's Day.

Lyle this year set Michigan records in career rushing (3,250 yards), single-season rushing (1,402) and rushing average (6.9 a carry). He was the team's offensive "champion-of-the-week" an unprecedented five times.

Both teams held rough practices yesterday. Lyle said the long break between the end of the season and the Rose Bowl was beginning to make things "drag" but there is more enthusiasm with the game just a few days off.

Bell finished second to Tony Dorsett of top-ranked Pittsburgh in the balloting for the Heisman Trophy. Lyle finished third.

Bell, No. 42, is a senior from Fremont High School in Los Angeles. Lyle, No. 41, is a senior from Fremont High School in Ohio.

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